



Malaysia Aica Berhad
(8235-K)

A N N U A L R E P O R T 2 0 0 4

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Fifth Annual General Meeting ("35th AGM") of the shareholders of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian and Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Tuesday, 28 September, 2004 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolutions:-

Agenda

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Group and the Company for the financial year ended 31 March, 2004 and the Auditors' Report thereon. **Ordinary Resolution 1**
2. To approve the payment of Directors' fees in respect of the financial year ended 31 March, 2004. **Ordinary Resolution 2**
3. (i) To re-elect the following Directors retiring in accordance with Article 83 of the Company's Articles of Association:
 - (a) Mr Lim Jian Hoo; and **Ordinary Resolution 3(a)**
 - (b) Mr Lee Yu-Jin **Ordinary Resolution 3(b)**
3. (ii) To re-elect the following Director retiring in accordance with Article 90 of the Company's Articles of Association:
 - (c) Encik Aminuddin Yusof Lana **Ordinary Resolution 3(c)**
4. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**
5. To transact any other ordinary business of the Company for which due notice has been given. **Ordinary Resolution 5**

By Order of the Board

Lim Lai Sam

Secretary

Kuala Lumpur

4 September, 2004

Notes:

1. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company. Where a member appoints more than one (1) proxy (but not more than two), the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
3. The Proxy Form shall be deposited with the Company's Share Registrars, PFA Registration Services Sdn Bhd, Level 13, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.28(2) of the Bursa Malaysia Securities Listing Requirements

Place, Date and Time of the 35th AGM

The 35th AGM of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian and Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Tuesday, 28 September, 2004 at 11.00 a.m.

Directors Standing for Re-election

The Directors who are standing for re-election at the 35th AGM are:

(a) Mr Lim Jian Hoo (b) Mr Lee Yu-Jin (c) Encik Aminuddin Yusof Lana

Details of Attendance of Directors at Board Meetings

The details of the Directors' attendance at Board Meetings held during the financial year ended 31 March, 2004 are disclosed in the Corporate Governance Statement set out in page 10 of this Annual Report.

Corporate Information

Board of Directors

Tan Sri Dato' Tan Hua Choon
(Chairman, Non-Independent Non-Executive Director)

Lim Jian Hoo
(Executive Director)

Thor Poh Seng
(Executive Director)

Lee Yu-Jin
(Independent Non-Executive Director)

Yazween Binti Dato' Yahya
(Independent Non-Executive Director)

Aminuddin Yusof Lana
(Independent Non-Executive Director,
appointed w.e.f. 22 March, 2004)

Audit Committee

Lee Yu-Jin
(Chairman) (MIA Member)

Yazween Binti Dato' Yahya

Lim Jian Hoo
(appointed w.e.f. 1 November, 2003)

Aminuddin Yusof Lana
(appointed w.e.f. 22 March, 2004)

Nomination Committee

Tan Sri Dato' Tan Hua Choon

Lee Yu-Jin

Yazween Binti Dato' Yahya

Remuneration Committee

Tan Sri Dato' Tan Hua Choon

Lee Yu-Jin

Senior Independent Non-Executive Director

Lee Yu-Jin
Fax : (03) 4043 6750

Company Secretary

Lim Lai Sam

Registered Office

8-3, Jalan Segambut
51200 Kuala Lumpur
Tel : (03) 4043 9266
Fax : (03) 4043 6750

Principal Bankers

Citibank Berhad
EON Bank Berhad

Share Registrars

PFA Registration Services Sdn Bhd
Level 13, Uptown 1
No. 1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Tel : (03) 7725 4888/7725 8046
Fax : (03) 7722 2311

Auditors

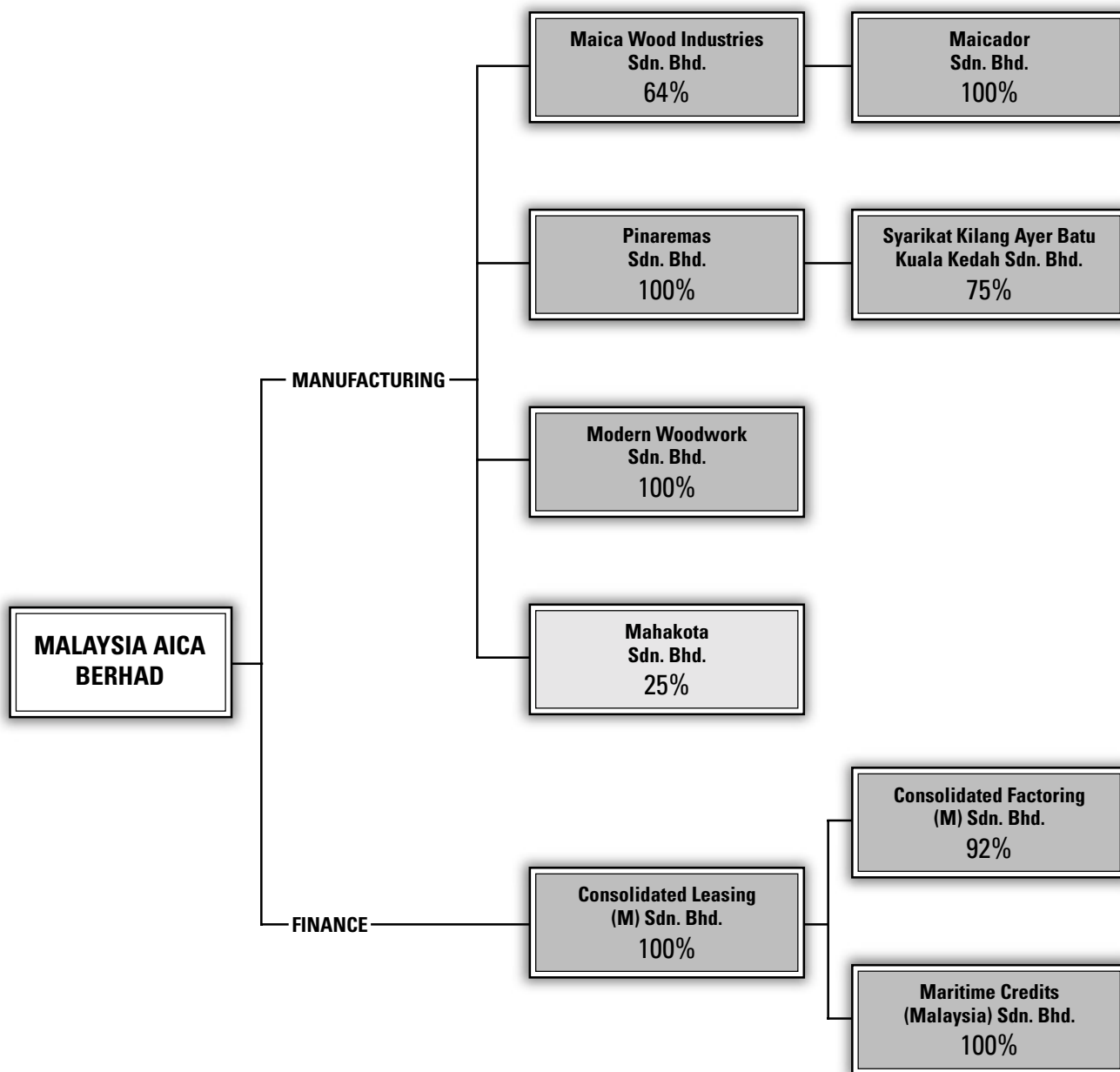
Messrs PricewaterhouseCoopers
(Chartered Accountants)

Stock Exchange Listing

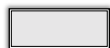
Bursa Malaysia Securities Berhad
(formerly known as Malaysia Securities Exchange Berhad)
Main Board

Group Structure

as at 31 March, 2004



Subsidiary



Associated Company

Note: Companies which are dormant or which have not commenced active operations are excluded

Group Financial Highlights

for the Five Financial Years Ended 31 March, 2004

	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000
Revenue	31,635	23,531	25,660	27,388	21,148
Profit/(Loss) Before Tax	3,736	(767)	(2,414)	(3,522)	(4,731)
Profit/(Loss) After Tax And Minority Interest Attributable To Shareholders	2,350	(226)	(1,486)	(2,629)	(3,412)
Dividends – Net	782	–	–	–	–
Shareholders' Fund	85,160	85,647	84,449	81,820	78,098
Earnings/(Loss) Per Share Based On Profit/(Loss) After Tax And Minority Interest	2.2 sen	(0.2 sen)	(1.2 sen)	(2.1 sen)	(2.6 sen)
Net Tangible Assets Per Share	78 sen	78 sen	77 sen	63 sen	60 sen
Dividend Rate	2%	–	–	–	–

Group Financial Highlights

for the five financial years ended 31 March 2004

REVENUE

RM MILLIONS

2004		21.148
2003		27.388
2002		25.660
2001		23.531
2000		31.635

PROFIT/(LOSS) BEFORE TAX

RM MILLIONS

2004		(4.731)
2003		(3.522)
2002		(2.414)
2001		(0.767)
2000		3.736

NET DIVIDENDS

RM MILLIONS

2004	Nil
2003	Nil
2002	Nil
2001	Nil
2000	0.782

SHAREHOLDERS' FUND

RM MILLIONS

2004	78.098
2003	81.820
2002	84.449
2001	85.647
2000	85.160

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of the Company and the Group for the financial year ended 31 March, 2004.

Results

The Group recorded a revenue of RM21.1 million for the year as against RM27.4 million in the previous year. The drop in revenue was mainly due to the decrease in sales of the Groups' products to the Japanese market.

The loss before taxation for the current financial year amounted to RM1.9 million before accounting for RM1.63 million losses on disposal of land in Shantou, China and the provision for non-moving stocks of RM1.2 million. Compared to the previous year, the loss before taxation was RM2.6 million before incorporating RM0.9 million of goodwill written off.

The Company reported a loss before taxation of RM0.76 million for the current financial year compared to a profit before taxation of RM0.57 million in the previous financial year. The current year loss was mainly due to the write off of investment in Maica (Shantou) Limited Company, a subsidiary company, amounting to RM1.63 million.

Review of Operations

During the 2004 financial year, the Group's Wood-Based Division recorded a lower revenue of RM19.2 million compared to RM25.2 million in the previous year.

Maicador Sdn. Bhd. ("MDR") is engaged in door production mainly for export markets. The loss by MDR was slightly reduced compared to the previous year due to a slight improvement in production output as a result of increase in export sales as well as lower production costs.

Maica Wood Industries Sdn. Bhd. ("MWI") continues to produce rubber wood boards and round bars to cater for the Japan Market. The performance of MWI was adversely affected by Japanese Agriculture Standard ("JAS") and Japanese Industrial Standard ("JIS"), the technical standards for building materials using the formaldehyde based glue which came into effect in early 2003, whereby manufacturers exporting wood products to Japan require a licence certified by the Ministry of Agriculture in Japan. MWI subsequently obtained the four stars JAS/JIS approval in October 2003. This approval is for all wood products that utilize formaldehyde based glue that passed the emission health and safety standard, and the approval is valid for one year.

Prospects

For the 2005 financial year, MWI has diversified into Tropical Wood Mouldings production and is beginning to export to countries in Europe and the United Kingdom. We foresee that we are able to capture some long term buyers which would give us an opportunity to improve our sales turnover.

The timber market is still volatile but demand from the China market is strong. European countries on the other hand prefer products with Forest Stewardship Council ("FSC") and Malaysian Timber Certification Council ("MTCC") certification, which means the use of raw materials from sustainable forests. It is timely also that the Group, as a FSC certified door manufacturer in South East Asia, will take this opportunity to capture the certified door market.

As for MDR, the company is also in the progress of receiving more orders from America. We foresee that the turnover for the door sales to remain the same as last year but we would work harder to develop new markets.

Corporate Developments

During the financial year, the Company announced that it has entered into a Sales and Purchase of Shares Agreement for the proposed acquisition of 2,000,000 Ordinary Shares of RM1.00 each in Hyrax Oil Sdn. Bhd., representing the entire equity interest in Hyrax Oil Sdn. Bhd. for a total consideration of RM50,000,000 to be satisfied by issue of 50,000,000 new ordinary shares of RM0.50 each in Malaysia Aica Berhad ("MAICA shares") at an issue price of RM1.00 per share ("Proposed Acquisition").

The Company also proposes to implement a proposed restricted issue of 30,000,000 new MAICA shares at an issue price of RM1.02 per share for cash.

The Directors are of the view that the Proposed Acquisition is favourable for the Company as it shall provide a diversified source of earnings for the Group.

Dividend

The Board of Directors does not recommend the payment of any dividend for the financial year ended 31 March, 2004.

New Appointment

I am pleased to welcome the participation of Encik Aminuddin Yusof Lana who has joined the Board on 22 March, 2004.

Appreciation

On behalf of the Board, I would like to extend our appreciation to the Management and Staff for their efforts, commitment and contribution. I would also like to express my sincere appreciation to our valued customers, business associates and shareholders for their continued support and confidence.

Tan Sri Dato' Tan Hua Choon

Chairman

Kuala Lumpur

Profile of Board of Directors

Tan Sri Dato' Tan Hua Choon

63 years old, Malaysian Chairman, Non-Independent Non-Executive Director

Tan Sri Dato' Tan was appointed as Director and Chairman of the Company on 23 September, 1995 and 19 April, 1996 respectively. On 25 March, 2002, he was appointed to the Nomination Committee and Remuneration Committee of the Company.

Tan Sri Dato' Tan is a self-made businessman with vast experience in various fields and industries. He has been involved in a wide range of businesses for the past 40 years, which include manufacturing, marketing, banking, shipping, property development and trading.

During the last 12 years, he has built-up investments in numerous public listed companies. He is also the Chairman of Jasa Kita Berhad, Keladi Maju Berhad, GPA Holdings Berhad, PDZ Holdings Bhd, FCW Holdings Berhad and Marco Holdings Berhad.

Lim Jian Hoo

58 years old, Malaysian Executive Director

Mr Lim was appointed as Director of the Company and member of the Audit Committee on 1 February, 1997 and 1 November, 2003 respectively.

He graduated with a Bachelor of Economics (Honours) degree from University of Malaya in 1969, obtained a Banking Diploma from the Chartered Institute of Bankers London in 1972 and became an Associate Member of Institute Bank-Bank Malaysia in 1980.

Mr Lim joined Standard Chartered Bank Berhad in 1970 and worked in the banking sector for 22 years. In early 1993, he joined Malaysian General Investment Corporation Berhad ("MGIC") as its Deputy Group Chief Executive and later assumed the post of Chief Executive Officer of Charles Bradburne, a subsidiary of MGIC. From 1994 to 1996, he was attached with IC Bank Rt. Budapest, Hungary as the President and Chief Executive Officer where he was responsible for the setting up and development of the infrastructure framework of a new bank. He is also a Director of PDZ Holdings Bhd.

Thor Poh Seng

44 years old, Malaysian Executive Director

Mr Thor was appointed as Director of the Company on 23 September, 1995 and had served the Audit Committee of the Company from 23 December, 1995 to 15 December, 2001.

He holds a Bachelor of Engineering degree from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) and a Master's degree in Business Management from Asian Institute of Management, Philippines.

Mr Thor was an ex-merchant banker from Commerce International Merchant Banker Berhad ("CIMB") with extensive experience in corporate finance and corporate planning. Prior to joining CIMB, he has held senior positions in operations and in finance in Dunlop Estates Berhad and Sitt Tatt Berhad respectively. He is also a Director of Jasa Kita Berhad, Keladi Maju Berhad, GPA Holdings Berhad, PDZ Holdings Bhd, FCW Holdings Berhad and Marco Holdings Berhad.

Profile of Board of Directors

Lee Yu-Jin

37 years old, Malaysian Independent Non-Executive Director

Mr Lee was appointed as Director of the Company and Chairman of the Audit Committee on 25 March, 2002. On the same day, he was also appointed to the Nomination Committee and Remuneration Committee of the Company. He graduated from University of Manchester, U.K. with a Bachelor of Arts (Honours) in Economics and is also a Member of the Institute of Chartered Accountants in England and Wales and the Malaysian Institute of Accountants.

Prior to joining Malaysia Aica Berhad, Mr Lee has held senior positions in finance and corporate affairs, accounting and banking. He is also a Director of FCW Holdings Berhad, United Bintang Berhad and several private companies.

Yazween Binti Dato' Yahya

29 years old, Malaysian Independent Non-Executive Director

Cik Yazween was appointed as Director of the Company and member of the Audit Committee on 25 March, 2002.

She was also appointed to the Nomination Committee of the Company on 25 March, 2002.

Cik Yazween holds a Diploma in Law from HELP Institute, Kuala Lumpur and a Bachelor of Law (Hons) from University of Glamorgan, United Kingdom.

She also sits on the Board of Keladi Maju Berhad.

Aminuddin Yusof Lana

56 years old, Permanent Resident Independent Non-Executive Director

Encik Aminuddin was appointed as Director of the Company and a member of the Audit Committee on 22 March, 2004. He holds a Bachelor of Commerce and Administration Degree from Victoria University of Wellington, New Zealand. He is a Chartered Accountant of the New Zealand Society of Accountants and an Associate member of the Institute of Chartered Secretaries and Administrators of London and Wales.

He had previously served as Director and later Managing Director of Renong Berhad from May 1990 to February 1994 and as Director and Group Managing Director of Faber Group Berhad from June 1990 to December 1994. He was the Managing Director of Metacorp Berhad from January 1995 to December 1996. He was also the Managing Director of UEM Builders Berhad from March 2000 to November 2003.

Prior to joining Renong Berhad, he had held several senior management positions with public listed multi-nationals corporations in New Zealand and Australia. Currently, he sits on the Board of Oiltools International Limited (Bermuda).

Further Information on the Board of Directors

- **Family Relationship**

None of the Directors has any family relationship with other Directors and major shareholders of the Company.

- **Conflict of Interest**

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

- **Conviction of Offences**

None of the Directors have been convicted of any offence within the past 10 years, other than traffic offence, if any.

Corporate Governance Statement

The Board of Directors of Malaysia Aica Berhad fully subscribes to and supports the spirit of the Malaysian Code On Corporate Governance ("the Code") and is committed to ensuring that the principles and best practices of the Code are observed and practiced throughout the Group in the pursuit of discharging its roles and responsibilities to protect the shareholders' interests and enhance the financial performance of the Group.

The Board is pleased to report that the Group had substantially complied with the Code throughout the financial year ended 31 March, 2004. Nevertheless, ongoing reviews will be carried out from time to time to reassess and refine the governance framework towards further enhancing the Groups' business prosperity and corporate accountability.

Set out below are the details of how the Group has applied the principles and complied with the best practices outlined in Parts 1 and 2 of the Code respectively.

A. Board of Directors

i) The Board

The Malaysia Aica Berhad Group of Companies is managed and led by an experienced and effective Board who has within it individuals drawn from varied professionals and specialisation in the fields of manufacturing, trading, marketing, finance, accounting, corporate affairs and administration. Together with the Management, they collectively bring a diverse range of skills and expertise to effectively discharge their responsibilities towards achieving the Group's business strategies and corporate goals.

The Executive Directors frequently attend the Group's management meetings wherein operational details and other issues were discussed and considered. Apart from the management meetings, the Executive Directors also hold other informal meetings with the other members of the Board whenever necessary.

There were three (3) official Board Meetings held during the financial year ended 31 March, 2004. The record of attendance for each Director at those meetings is set out below:-

Director	Status	No. of Board Meetings Attended	% of Attendance
Tan Sri Dato' Tan Hua Choon (Chairman)	Non-Independent Non-Executive Director	3	100
Mr Lim Jian Hoo	Executive Director	3	100
Mr Thor Poh Seng	Executive Director	3	100
Mr Lee Yu-Jin	Independent Non-Executive Director	3	100
Cik Yazween Binti Dato' Yahya	Independent Non-Executive Director	3	100
Encik Aminuddin Yusof Lana*	Independent Non-Executive Director	—	—
Mr Ong Euwan George**	Non-Independent Non-Executive Director	2	100

* Encik Aminuddin Yusof Lana was appointed on 22 March, 2004, after the Board Meetings for the 2004 financial year were held.

** Mr Ong Euwan George had resigned on 30 August, 2003.

ii) Board Committees

The Board has delegated specific functions to its three Committees; namely the Audit, Nomination and Remuneration Committees which operate under their respective clearly defined terms of reference. These Committees who do not have executive powers, will deliberate and examine particular issues and report to the Board with their recommendations. The ultimate responsibility for the final decision, however, lies with the entire Board.

Corporate Governance Statement

Audit Committee

The Maica Audit Committee was established on 19 January, 1994. The composition of the Committee, terms of reference and the summary of its activities carried out during the financial year ended 31 March, 2004 are set out in pages 16 to 18 of this Annual Report.

Nomination Committee

The Nomination Committee, which was established on 25 March, 2002 and comprising three Non-Executive Directors, two of whom are independent, is tasked with the responsibility of recommending to the Board, suitable candidates for appointment as Directors and to fill the seats on Board Committees wherever necessary. It will also carry out the process of assessing the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director.

Decision on appointments of new Directors is made by the full Board on a collective basis after considering recommendations of the Nomination Committee.

Generally, the Nomination Committee will assist the Board to review annually its required mix of skills, experience and other qualities, including core competencies which the Non-Executive Directors should bring to the Board.

The present members of the Nomination Committee are:-

- 1) Tan Sri Dato' Tan Hua Choon – Non-Independent Non-Executive Director
- 2) Mr Lee Yu-Jin – Independent Non-Executive Director
- 3) Cik Yazween Binti Dato' Yahya – Independent Non-Executive Director

The Nomination Committee met twice during the reporting financial year and the meetings were attended by all the members.

Remuneration Committee

The Board had also set up a Remuneration Committee on 25 March, 2002 which comprise wholly of Non-Executive Directors. The Committee is responsible for making recommendation to the Board, the remuneration of the Executive Directors in all its forms, drawing from outside resources where necessary.

The present members of the Remuneration Committee are:-

- 1) Tan Sri Dato' Tan Hua Choon – Non-Independent Non-Executive Director
- 2) Mr Lee Yu-Jin – Independent Non-Executive Director

The Remuneration Committee members met once during the financial year where all the members were present.

iii) Board Balance

Presently, the constitution of the Board comprise six members with two Executive Directors and four Non-Executive Directors, three of whom are Independent Non-Executive Directors. With this Board composition, the Company fully complies with the Bursa Malaysia Securities Listing Requirements ("Bursa Securities LR") with regard to the constitution of the Board of Directors and the required ratio of independent directors, as well as the requirement for a director who is a member of the Malaysian Institute of Accountants to sit on the Audit Committee. The profiles of each Board member are set out in pages 8 to 9 of this Annual Report.

The Board considers its current composition with the mix of skills and expertise sufficient and optimum to discharge its duties and responsibilities effectively.

Corporate Governance Statement

There is clear segregation of responsibility between the Chairman of the Board and the Executive Directors to ensure that there is a balance of power and authority in the Group:

- The Non-Executive Chairman is primarily responsible for the effectiveness and proper conduct of the Board; while
- The Executive Directors have the responsibility of implementing the policies and decisions of the Board, overseeing as well as coordinating the development and implementation of business and corporate strategies.

The Non-Executive Directors participate in areas such as establishment of policies and strategies, performance monitoring as well as improving governance and control and are independent of management and have no relationships which could materially interfere the exercise of their independent judgment so as to ensure that the interests of not only the Group, but also the stakeholders and the public in general are represented.

iv) Supply of Information

All the Board and committee members have timely access to relevant information pertaining to the Group as well as to the advice and services of the Company Secretary, Management representatives and independent professional advisers wherever necessary, at the Company's expense to enable the Board and committee members to discharge their duties with adequate knowledge on the matters being deliberated. They are also kept informed of the requirements and updates issued by the regulatory authorities from time to time.

Prior to each scheduled Board Meeting, all the Board members are provided with the requisite notice, agenda and the relevant Board Papers to enable them have sufficient time to peruse the papers and, if necessary, obtain further information or clarification from the Management to ensure effectiveness of the proceeding of the meetings. Senior Management members are invited to attend these meetings to explain and clarify matters.

In addition, there is a formal schedule of matters specifically reserved for the Board's decision including, among other things, business strategies, operational policies and efficacies, product quality measures, acquisitions and disposals of material assets, investment policies and approval of financial statements.

v) Appointments to the Board

Appointment of new Directors will first be considered and evaluated by the Nomination Committee, through a formal and transparent selection procedure, after which appropriate recommendation will be put forward to the Board for its consideration and approval.

vi) Directors' Training

All the existing members of the Board have completed the Mandatory Accreditation Programme conducted by Bursa Malaysia Training Sdn Bhd and they are currently participating in the Continuing Education Programme to further enhance their knowledge in respect of the latest statutory and regulatory developments.

vii) Re-election of Directors

In accordance with the Company's Memorandum and Articles of Association, one-third of the Directors for the time being or, if their number is not a multiple of three, the number nearest to one-third shall retire from the office and be eligible for re-election at each Annual General Meeting. Newly appointed Directors shall hold office until the conclusion of the next Annual General Meeting and shall be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The Articles also provide that all Directors be subjected to retirement by rotation at least once every three (3) years.

Corporate Governance Statement

B. Directors' Remuneration

i) Level and make-up

The Board as a whole reviews the levels of remuneration offered for Directors to ensure that they are sufficient to attract and retain Directors with the relevant experience and expertise needed to manage the Group successfully, while taking into consideration at the same time the state of the economy in general and the performance of the industry and the Group in particular.

In the case of Executive Directors, the component parts of remuneration are structured to link rewards to corporate and individual performance. As for the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular non-executive concerned.

ii) Procedure

The Remuneration Committee is responsible for recommending to the Board the policy framework of executive remuneration and the fixing of the remuneration of individual Directors. The Director concerned will abstain from deliberation and decision in respect of his/her own remuneration package.

iii) Disclosure

The details of Directors' Remuneration paid or payable to all the Directors of the Company who served during the financial year ended 31 March, 2004 are as follows:-

a) Aggregate remuneration of Directors categorised into the following components :

Category of Remuneration*	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Total (RM'000)
(a) Fees	—	35	35
(b) Salaries and other emoluments	368	—	368
(c) Bonuses	14	—	14
(d) Estimated value of benefits-in-kind	—	4	4
Total	382	39	421

* The remuneration of each Director is not separately disclosed as it is deemed private and confidential

b) The number of Directors whose remuneration fall within the following bands:

Band (RM)	No. of Executive Directors	No. of Non-Executive Directors	Total
1 - 50,000	—	4	4
50,001 - 100,000	1	—	1
100,001 - 150,000	—	—	—
150,001 - 200,000	—	—	—
200,001 - 250,000	—	—	—
250,001 - 300,000	1	—	1
Total	2	4	6

C. Relationship with Shareholders and Investors

i) Dialogue between Company and Investors

Timely release of the quarterly financial results of the Group, audited financial statements, corporate developments and announcements of the Group via the BURSA LINK, Company's annual reports and other circulars to shareholders and where appropriate, ad hoc press statements serve as the principal channel to keep the shareholders and the investing public informed of the Group's major development, financial performance and progress throughout the year.

Corporate Governance Statement

ii) General Meetings of Shareholders

The Annual General Meetings ("AGM") of the shareholders of the Company represent the main venue for interaction between the Board and the shareholders. At each AGM, the Board presents the progress and performance of the business of the Group during the particular financial year as contained in the Annual Report. Shareholders are given the opportunity to express their view or seek clarification on issues pertaining to the Group's financial statements, transactions, business activities and prospects of the Group wherein, the Directors, General Manager – Accounts and Finance and Auditors are available to respond to the queries before each resolution is carried.

Extraordinary General Meetings ("EGM") of the Company will be held as and when shareholders' approvals are required on specific matters. Notices of AGM and EGM are advertised in a major local daily newspaper. They are also distributed to shareholders within a reasonable and sufficient time frame. In addition to that, a press conference is normally held after each AGM or EGM of the Company whereat, the Board members are available to answer questions pertaining to the business operations and directions of the Group posted by the journalists.

Any queries and concerns pertaining to the Group may be conveyed to Mr Lee Yu-Jin, the Senior Independent Non-Executive Director of the Company, at the registered office of the Company.

D. Accountability and Audit

i) Financial Reporting

The Audit Committee assists the Board in reviewing the Group's quarterly results and annual financial statements to ensure correctness and adequacy prior to these results being presented to the Board. The Board takes note of the comments and recommendations of the Audit Committee and conducts a balanced and detailed assessment of the Group's financial position and prospects. The results are then released by the Secretary via BURSA LINK after the Board adopts them.

A statement by Directors of their responsibilities in preparing the financial statements is set out in page 15 of this Annual Report.

ii) Internal Control

The Board places significant emphasis on a sound internal control system which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investment and company's assets. The internal control system is designed to meet the Group's particular needs and to manage the risks to which it is exposed.

The Internal Control Statement by the Board which provides an overview of the Group's state of internal control is set out in page 19 of this Annual Report.

iii) Relationship with Auditors

The Board of Directors and the Management maintain a formal and transparent relationship with the Group's Auditors in seeking their professional advice and opinion with regard to the Group's compliance with the relevant approved accounting standards.

The role of the Audit Committee in relation to its relationship with the External Auditors is set out in pages 16 to 18 of this Annual Report.

Directors' Responsibility Statement

The Directors are collectively responsible to ensure that the financial statements of the Company and the Group are drawn up in accordance with the applicable approved accounting standards of Malaysia, Bursa Securities LR and the provisions of the Companies Act, 1965 ("the Act") so as to give a true and fair view of the Company and the Group's state of affairs, results and cashflow position for the financial year ended 31 March, 2004.

In preparing the financial statements, the Directors have selected and applied consistently relevant and appropriate accounting policies, made reasonable judgments and estimates that are prudent and on the going concern basis.

The Directors are responsible to ensure that the Company keeps adequate accounting records which disclose with reasonable accuracy the financial position of the Company and the Group at any time and which enable them to confirm that the financial statements comply with the requirements of the Act. In addition, the Directors have the general responsibility for taking reasonable steps to safeguard the assets of the Company and the Group to prevent and detect fraud and other irregularities.

Additional Compliance Information

Non-Audit Fee

Non-audit fee paid to the external auditors by the Group for the financial year ended 31 March, 2004 amounted to RM3,000.00.

Material Contract Involving Directors' and Major Shareholders' Interest

During the reporting financial year, there were no material contracts entered into by the Group which involved directors' and major shareholders' interests.

Revaluation Policy on Landed Properties

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

Audit Committee Report

The Malaysia Aica Berhad ("Maica") Audit Committee was established by the Company's Board of Directors on 19 January, 1994.

Membership and Meetings

The Maica Audit Committee held five meetings during the financial year ended 31 March, 2004. The members of the Maica Audit Committee and their respective attendance at the Maica Audit Committee meetings were as follows:

Name	Membership	Status	No. of Audit Committee Meetings Attended
Mr Lee Yu-Jin	Chairman	Independent Non-Executive Director	5/5
Mr Lim Jian Hoo	Member	Executive Director	2/2*
Mr Ong Euwan George	Member	Non-Independent Non-Executive Director	3/3*
Cik Yazween Binti Dato' Yahya	Member	Independent Non-Executive Director	5/5
Encik Aminuddin Yusof Lana	Member	Independent Non-Executive Director	**

* Mr Ong Euwan George had resigned on 30 August, 2003 and Mr Lim Jian Hoo joined the Committee on 1 November, 2003.

** Encik Aminuddin Yusof Lana was appointed on 22 March, 2004. There was no Audit Committee meeting held between that date and 31 March, 2004.

The Executive Directors, General Managers, and Internal Audit Consultants were invited to attend the Maica Audit Committee meetings for the briefing on the activities involving their areas of responsibilities. The Maica Audit Committee was also briefed by the external auditors on their annual audit findings.

The proceedings of each Maica Audit Committee meeting were documented and distributed to all the Board members.

Terms of Reference

1. Membership

The Maica Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than 3 members, a majority of whom shall be independent non-executive directors. An alternate director cannot be appointed as a member of the Committee. In the event of any vacancy in the Committee which results in non-compliance of paragraph 15.10(1) of the Bursa Malaysia Securities Listing Requirements ("Bursa Securities LR"), the vacancy shall be filled within 3 months.

At least one member of the Committee must be qualified under paragraph 15.10 (1)(c) of the Bursa Securities LR.

The Chairman of the Committee shall be an independent non-executive director appointed by the Board.

2. Frequency of Meetings

Meetings shall be held not less than four times a year. In addition, the Chairman of the Committee may call a meeting of the Committee upon the request of the external auditors, to consider any matter the external auditors believe should be brought to the attention of the Board and shareholders.

Majority members present in person who are independent non-executive directors shall be a quorum.

3. Secretary

The Company Secretary shall be the secretary of the Committee.

4. Authority

The Maica Audit Committee shall, at the Company's expense, have the following authority and rights:-

1. full and unrestricted access to any information and documents from the external auditors and senior management of the Company and the Group which are relevant to the activities of the Company.
2. be provided with the necessary resources which are required to perform its duties.

Audit Committee Report

3. the right to investigate into any matter within its terms of reference and as such, have direct communication channel with the external auditors and persons carrying out the internal audit function of the Company.
4. the liberty to obtain independent professional advice and to secure the attendance of such external parties with relevant experience and expertise at its meeting if it considers this necessary.
5. the right to convene meetings with the external auditors, excluding the attendance of its executive members and may extend invitation to other non-member directors and officers of the Company to attend a specific meeting, whenever deemed necessary.

5. Duties

The Maica Audit Committee shall report to the Board of Directors either formally in writing, or verbally, as it considers appropriate on the matters within its terms of reference.

The duties of the Maica Audit Committee shall be:-

- i) To review the audit plan with the external auditors;
- ii) To review the audit report with the external auditors;
- iii) To review the assistance given by the Company's officers to the external auditors;
- iv) To review the quarterly results and year end financial statements of the Company and the Group, prior to the approval by the Board, focusing particularly on:
 - a. changes in or implementation of major accounting policies;
 - b. significant and unusual events; and
 - c. compliance with accounting standards, regulatory and other legal requirements;
- v) To review any related party transaction and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- vi) To review the adequacy of the scope, functions and resources of the internal audit functions and to ensure that it has the necessary authority to carry out its work;
- vii) To review any internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken and whether or not appropriate action are taken on the recommendations of the internal audit function;
- viii) To review any evaluation made on the systems of internal controls with the internal and external auditors;
- ix) To recommend to the Board of Directors the appointment of the external auditors and the level of their fees;
- x) To review the letter of resignation from the external auditors, if any;
- xi) To review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointments; and
- xii) To undertake such other functions as may be agreed by the Maica Audit Committee and the Board.

6. Performance Review

The term of office and performance of the Maica Audit Committee and each of its members shall be reviewed by the Board of Directors of the Company at least once every three (3) years to determine whether the committee and members have carried out their duties in accordance with the Audit Committee's Terms of Reference.

Activities of the Committee

During the financial year ended 31 March, 2004, the activities carried out by the Maica Audit Committee included, among others, the following:-

- a. Reviewed the unaudited quarterly reports on the consolidated results and financial statements of the Company and the Group prior to tabling of the same to the Board of Directors.
- b. Reviewed the external auditors reports in relation to their audit findings and the accounting issues arising from the audit for the financial year ended 31 March, 2003.

Audit Committee Report

- c. Reviewed the external audit plan and engagement letters from the external auditors for the financial year ended 31 March, 2004.
- d. Reviewed the year end financial statements of the Company and the Group, prior to their adoption by the Board, focusing on:-
 - i) changes in or implementation of major accounting policies, if any.
 - ii) significant and unusual events, if any.
 - iii) compliance with accounting standards, regulatory and other legal requirements.
- e. Reviewed the adequacy of the existing policies, procedures and systems of internal control of the Group.
- f. Discussed with the external auditors, the applicability and the impact of the new accounting standards issued by the Malaysian Accounting Standards Board.
- g. Discussed with the Secretary, the impact of new provisions of the Bursa Securities LR, in particular the guidelines to be complied with by the Audit Committee within the timeframe stipulated therein.
- h. Reviewed the internal audit reports which outlined the risk identified, recommendations towards the areas of weaknesses and the Management's responses thereto. Discussed with the Management the improvement actions taken in the areas of internal control systems and efficiency enhancements proposed by the Internal Audit Consultants based on the internal audit findings.
- i. Reviewed and assessed the extent of the Group's compliance with the provisions set out under the Malaysian Code on Corporate Governance for the purpose of preparing the Corporate Governance Statement pursuant to the Bursa Securities LR. Recommended to the Board of Directors the required action plans to address the non-compliance areas under the Group's existing practice.
- j. Reviewed the Group Budget for the financial year ended 31 March, 2004 prior to submission to the Board for adoption.
- k. Reviewed with the external auditors the Statement of Internal Control of the Group for inclusion in the Annual Report.
- l. Reviewed the Standard Operating Policies and Procedures for sales and marketing, human resource and payment function of the Wood-Based Division.
- m. Reviewed the performance of the Wood-Based Division and monitored the level of operations of the Group.

Internal Audit Function

The Board has outsourced the internal auditing services to an internal audit consultancy company to assist the Board, Audit Committee and Management in the discharge of the internal audit function. The role of the Internal Audit Consultants is to provide independent and objective reports on the state of internal control and compliance to policies and procedures.

The Audit Committee approves the internal audit plan prior to the commencement of the new financial year. The scope of Internal Audit covers the audits of all units and operations, including subsidiaries. The Internal Audit Consultants has adopted a risk-based approach towards the planning and conduct of audits which is consistent with the Group's established risk framework and self-assessment approach in generating an embedded risk management capability and acceptable risk culture within the organization.

The attainment of such objectives involves the following activities to be carried out by the Internal Audit Consultants:

- Identifying the principal risks that the Group faces covering various aspects of the businesses which including operational, financial, statutory or other compliance requirements and human resources.
- Conduct regular and thorough evaluation of the nature and extent of the risks to which the Group's businesses are continuously exposed to due to the evolving nature of the Group's objectives, internal organisation and business environment.
- Ascertaining the extent to which the Group's assets are accounted for and safeguarded.
- Evaluate and improve the existing systems of internal control within the Group by reviewing its adequacy and effectiveness on an ongoing basis.
- Conducting investigation or special reviews requested by Audit Committee and/or Management on ad-hoc basis.

Internal Control Statement

1. Introduction

The Malaysian Code on Corporate Governance requires the Board of Directors of a public listed company to maintain a sound system of internal controls to safeguard shareholders' investment and the company's assets. The Bursa Malaysia Securities Listing Requirements ("Bursa Securities LR") require the Directors to include a Statement about the state of internal control in the annual report.

Accordingly, the Board of Malaysia Aica Berhad is pleased to outline below the state of internal control of the Group. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the Group's policies, goals and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process had been put in place for the financial year under review. This statement was prepared in accordance with Paragraph 15.27 (b) of the Bursa Securities LR and the Statement on Internal Control: Guidance For Directors of Public Listed Companies.

2. Board's Responsibility

The Board affirms its overall responsibility for the Group's system of internal controls which includes reviewing its effectiveness, adequacy and integrity. The Board is equally aware that due to the limitations that are inherent in any system of internal control, the system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. In this regard, it can provide only reasonable and not absolute assurance against material misstatement or loss.

3. Key Elements of Internal Control

Risk Management and Internal Audit

The overall risk management practices of the Group are governed by the Risk Management Policy endorsed by both the Management and the Board. The Policy prescribes amongst others continuous identifying, reviewing and managing principal risks faced by the Group.

During the financial year under review, the Management with the assistance of the external consultants had updated the risk profile of the Group. This exercise involved all the key departments within Group. The risks were identified and evaluated through a series of interviews and workshops with the key Management of the Group. The risks identified in the risk profile were used as a basis for internal auditing purposes. The risk profile was subsequently tabled and endorsed by the Board.

The Group's system of internal control is regularly reviewed for its effectiveness in managing principal risks. The internal audit function focuses on areas of priority as determined by the risk profile. Where any significant weaknesses have been identified, improvement measures are recommended to strengthen controls. The internal audit reports are tabled at Audit Committee meetings which are held on every quarter.

During the financial year under review, the internal audit function had conducted internal audit review on areas namely, stock controls, marketing, human resource management, administration controls and payment controls. The internal audit reports were duly tabled at the Audit Committee meetings.

Internal Control Statement

Other Key Elements of Internal Controls

Other key elements of the Group's system of internal controls are as follows:

- The Group has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve the Group's business objectives. Lines of responsibility and delegations of authority are clearly defined.
- To ensure uniformity and consistency of practices and controls within the Group, certain key processes of the Group had been formalised and documented in the form of Standard Operating Procedures. The Standard Operating Procedures were endorsed by both the Management and the Board.
- The Management prepares a Business Plan and marketing strategies to achieve the business objectives set.
- Business units prepare an annual budget and present it to the Board for approval. Any variances of actual performance against budget are monitored and reported in the monthly management meetings. The results are consolidated and presented to the Board on a regular basis.
- Operational matters and issues are regularly reviewed and resolved by the Management team at a monthly management meeting. Through these mechanisms, risks will be identified in a timely manner, their implications will be assessed and control procedures will be re-evaluated accordingly.
- As for the occupational safety and health, the Group had implemented the necessary safety guidelines among others, setting up a safety committee to enhance the safety procedures and address all the safety issues which may arise from time to time.
- The Audit Committee meets at least four times a year and reviews the effectiveness of the Group's system of internal controls. The Committee meets with the internal auditors and external auditors regularly to review their reports.

During the financial year under review, the Group did not encounter any material losses, contingencies or uncertainties that would require disclosure in the Company's Annual Report.

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Directors' Report

for the financial year ended 31 March 2004

The Directors submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2004.

Principal Activities

The principal activities of the Company during the financial year are the provision of management services and investment holding. The principal activities of its subsidiary companies are set out in note 18 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Financial Results

	Group RM'000	Company RM'000
Loss from ordinary activities after taxation	(4,953)	(998)
Minority interests	1,541	0
Net loss for the financial year	(3,412)	(998)

Dividend

No dividend was paid, declared or proposed since the end of the Company's previous financial year.

The Directors do not recommend the payment of any dividend for the financial year ended 31 March 2004.

Reserves and Provisions

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

Directors

The Directors who have held office during the period since the date of the last report are:

Tan Sri Dato' Tan Hua Choon

Mr. Lim Jian Hoo

Mr. Thor Poh Seng

Cik Yazween binti Dato' Yahya

Mr. Lee Yu-Jin

Encik Aminuddin Yusof Lana

Mr. Ong Euwan George

(appointed on 22 March 2004)

(resigned on 30 August 2003)

Directors' Report

for the financial year ended 31 March

Directors' Interests

According to the Register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company and its related corporations are as follows:

	Number of ordinary shares of RM0.50 each			
	1 April 2003	Addition	Disposal	31 March 2004
Malaysia Aica Berhad				
Tan Sri Dato' Tan Hua Choon				
Direct	22,641,985	0	0	22,641,985

None of the Directors in office at the end of the financial year held any other interests in shares in or debentures of the Company and its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the fees and other emoluments shown in note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, being arrangements 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.

Statutory Information on the Financial Statements

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

- to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business 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 so to realise.

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

- which would render the amounts written off for bad debts or the amounts of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- 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 substantially affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

Directors' Report

for the financial year ended 31 March 2004

Statutory Information on the Financial Statements (Cont'd)

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.

Other Statutory Information

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 operations of the Group and of the Company 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 affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Proposed Acquisition of 100% of the Issued and Paid-up Share Capital of Hyrax Oil Sdn. Bhd. ("Hyrax").

On 12 January 2004, the Company entered into a conditional Sale and Purchase of Shares Agreement with the shareholders of Hyrax to acquire 2,000,000 ordinary shares of RM1 each representing the entire issued and paid-up share capital of Hyrax for a total consideration of RM50,000,000 to be wholly satisfied by the issue of 50 million new ordinary shares of RM0.50 each credited as fully paid-up in the share capital of the Company at an issue price of RM1 per ordinary share.

The proposed acquisition is subject to the approvals of the Securities Commission, Foreign Investment Committee, Bursa Malaysia Berhad, shareholders of the Company and shareholders of Hyrax and any other relevant authority.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 15 July 2004.

Lim Jian Hoo

Director

Thor Poh Seng

Director

Report of the Auditors

to the Members of Malaysia Aica Berhad

We have audited the financial statements set out on pages 26 to 56. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and of the Company as at 31 March 2004 and of the results and cash flows of the Group and of the Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiary companies of which we have not acted as auditors are indicated in note 19 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

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

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Act.

PricewaterhouseCoopers
[AF:1146]
Chartered Accountants

Penang
15 July 2004

Cho Choo Meng
[2082/09/04 (J)]
Partner of the firm

Income Statements

for the financial year ended 31 March 2004

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue	5	21,148	27,388	2,143	2,208
Cost of sales		(20,232)	(25,705)	0	0
Gross profit		916	1,683	2,143	2,208
Other operating income		840	408	151	11
Selling and distribution costs		(883)	(938)	0	0
Administration expenses		(3,809)	(3,764)	(3,050)	(1,653)
Other operating expenses		(1,536)	(935)	0	0
(Loss)/profit from operations	6	(4,472)	(3,546)	(756)	566
Finance cost	7	(130)	(125)	0	0
Share of results of associated companies		(129)	149	0	0
(Loss)/profit from ordinary activities before taxation		(4,731)	(3,522)	(756)	566
Taxation	11	(253)	(245)	(242)	(243)
Share of tax of associated companies		31	(50)	0	0
(Loss)/profit from ordinary activities after taxation		(4,953)	(3,817)	(998)	323
Minority interests		1,541	1,188	0	0
Net (loss)/profit for the financial year		(3,412)	(2,629)	(998)	323
Loss per share					
– basic	12	(2.6 sen)	(2.1 sen)		
– diluted	12	0	0		

The accounting policies and the notes on pages 31 to 56 form an integral part of these financial statements.

Balance Sheets

as at 31 March 2004

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Capital and reserves					
Share capital	13	65,180	65,180	65,180	65,180
Reserves	14	12,918	16,618	20,673	21,671
		78,098	81,798	85,853	86,851
Minority interests		2,154	3,697	0	0
Non-current liabilities					
Retirement benefits	15	917	928	42	37
Deferred taxation	16	25	25	0	0
		942	953	42	37
		81,194	86,448	85,895	86,888
Represented by:					
Non-current assets					
Property, plant and equipment	17	23,033	21,026	6,733	6,825
Subsidiary companies	18	0	0	12,871	16,395
Associated companies	19	2,003	2,101	672	672
Investments	20	492	842	135	485
		25,528	23,969	20,411	24,377
Current assets					
Inventories	21	4,217	5,328	0	0
Trade receivables	22	331	228	0	0
Bills receivable	23	915	1,724	0	0
Investment in finance leases	24	0	0	0	0
Hire-purchase receivables	25	0	0	0	0
Factoring receivables	26	3	3	0	0
Other receivables, deposits and prepayments	27	333	383	67	66
Tax recoverable		22	3	0	0
Amounts due from subsidiary companies	28	0	0	16,799	7,159
Deposits, cash and bank balances	29	54,432	60,665	48,924	55,831
		60,253	68,334	65,790	63,056
Current liabilities					
Trade and other payables	30	3,233	2,202	105	126
Retirement benefits	15	24	23	0	0
Short term borrowing	31	1,000	1,000	0	0
Provision for taxation		244	446	201	419
Bank overdrafts	32	86	2,184	0	0
		4,587	5,855	306	545
Net current assets		55,666	62,479	65,484	62,511
		81,194	86,448	85,895	86,888

The accounting policies and the notes on pages 31 to 56 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 31 March 2004

Group	Issued and fully paid ordinary shares of RM0.50 each		Non-distributable				Retained profit/ (Accumulated loss)	Total
	Number of shares Units	Nominal value RM'000	Exchange fluctuation reserve RM'000	Share premium RM'000	Property revaluation surplus RM'000	Capital reserve RM'000	RM'000	RM'000
At 1 April 2002								
As previously reported	108,634,560	54,317	288	13,296	812	824	14,912	84,449
Change in accounting policy (note 33)	0	0	0	0	0	(9)	(13)	(22)
As restated	108,634,560	54,317	288	13,296	812	815	14,899	84,427
Issue of shares	21,726,912	10,863	0	0	0	0	(10,863)	0
Net loss for the financial year	0	0	0	0	0	0	(2,629)	(2,629)
At 31 March 2003	130,361,472	65,180	288	13,296	812	815	1,407	81,798
At 1 April 2003								
As previously reported	130,361,472	65,180	288	13,296	812	824	1,420	81,820
Change in accounting policy (note 33)	0	0	0	0	0	(9)	(13)	(22)
As restated	130,361,472	65,180	288	13,296	812	815	1,407	81,798
Translation differences on disposal of property in subsidiary company	0	0	(288)	0	0	0	0	(288)
Net loss for the financial year	0	0	0	0	0	0	(3,412)	(3,412)
At 31 March 2004	130,361,472	65,180	0	13,296	812	815	(2,005)	78,098

The accounting policies and the notes on pages 31 to 56 form an integral part of these financial statements.

Statement of Changes in Equity

for the financial year ended 31 March 2004

Company	Issued and fully paid ordinary shares of ← RM0.50 each → ← Non-distributable → ← Distributable →					
	Number of shares Units	Nominal value RM'000	Share premium RM'000	Capital reserve RM'000	Retained profit RM'000	Total RM'000
At 1 April 2002	108,634,560	54,317	13,296	1,800	17,115	86,528
Issue of shares	21,726,912	10,863	0	0	(10,863)	0
Net profit for the financial year	0	0	0	0	323	323
At 31 March 2003	130,361,472	65,180	13,296	1,800	6,575	86,851
At 1 April 2003	130,361,472	65,180	13,296	1,800	6,575	86,851
Net loss for the financial year	0	0	0	0	(998)	(998)
At 31 March 2004	130,361,472	65,180	13,296	1,800	5,577	85,853

The accounting policies and the notes on pages 31 to 56 form an integral part of these financial statements.

Cash Flow Statements

for the financial year ended 31 March 2004

Note	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Operating cash flows				
Cash receipts from customers	21,962	27,397	2,211	376
Cash payments to suppliers	(23,486)	(27,540)	(1,344)	(1,531)
Cash flows from/(used in) operations	(1,524)	(143)	867	(1,155)
Retirement benefits paid	(50)	(21)	0	(4)
Interest paid	(130)	(125)	0	0
Taxation paid	(475)	(347)	(460)	(323)
	(655)	(493)	(460)	(327)
Net operating cash flows	(2,179)	(636)	407	(1,482)
Investing cash flows				
Net dividends received from other investments	12	37	12	37
Proceeds from disposal of property, plant and equipment	2,106	10	0	0
Purchase of property, plant and equipment	(6,211)	(229)	0	0
Proceeds from disposal of quoted investments	501	74	501	74
Interest received	1,640	1,745	1,816	1,740
Net investing cash flows	(1,952)	1,637	2,329	1,851
Financing cash flows				
Advances to subsidiary companies	0	0	(9,639)	(31)
Dividends paid	(4)	(4)	(4)	(4)
Net financing cash flows	(4)	(4)	(9,643)	(35)
Net change in cash and cash equivalents	(4,135)	997	(6,907)	334
Cash and cash equivalents at beginning of the financial year	58,481	57,484	55,831	55,497
Cash and cash equivalents at end of the financial year	34 54,346	58,481	48,924	55,831

The accounting policies and the notes on pages 31 to 56 form an integral part of these financial statements.

Notes to the Financial Statements

for the financial year ended 31 March 2004

1. General Information

The principal activities of the Company during the financial year are the provision of management services and investment holding. The principal activities of its subsidiary companies are set out in note 18 to the financial statements.

The number of employees in the Group and in the Company at the end of the financial year are 471 (2003: 471) and 10 (2003: 21) respectively.

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

The Company's registered office is located at:

8-3 Jalan Segambut
51200 Kuala Lumpur

The Company's principal place of business is located at:

9 Jalan Zainal Abidin
10400 Penang

2. Financial Risk Management Objectives and Policies

The activities of the Group exposes it to certain financial risks, including interest rate risk, credit risk, market risk, foreign currency exchange risk, liquidity and cash flow risk. The overall financial risk management objective of the Group is to create value for its shareholders by minimising the potential adverse impact of these risks on its financial position, performance and cash flows. Financial risk management is carried out through risk review, internal control systems and adequate insurance programmes.

(i) Interest Rate Risk

The Group's exposure to interest rate risk is minimal.

(ii) Credit Risk

The Group's exposure to credit risk arises mainly from cash deposits with financial institutions and receivables, which consist mainly of bills receivables. For sales made on deferred credit terms, adequate assessment of counter party's financial standing is carried out before sales are made. The Group manages its exposure to credit risk by seeking to invest cash assets safely and profitably. The Group considers the risk of material loss on cash deposits with financial institutions to be unlikely.

(iii) Market Risk

The Group's exposure to market risk is minimal.

(iv) Foreign Currency Exchange Risk

The Group's exposure to foreign currency exchange risk is minimal as the majority of the foreign currency transactions entered into by its subsidiaries are denominated in United States Dollar which is pegged to the Ringgit Malaysia.

(v) Liquidity and Cash Flow Risk

The Group practices prudent liquidity risk management to minimise the mismatch of financial assets and liabilities through an adequate amount of committed banking facilities and aims to maintain sufficient liquidity and cash flow at all times.

Notes to the Financial Statements

for the financial year ended 31 March 2004

3. Basis of Preparation of the Financial Statements

The financial statements of the Group and of the Company have been prepared under the historical cost convention (as modified by the revaluation of certain property, plant and equipment) unless otherwise indicated in this summary of significant accounting policies.

The financial statements comply with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

4. Summary of Significant Accounting Policies

All significant accounting policies set out below are consistent with those applied in the previous financial year unless stated otherwise.

(a) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and is no longer consolidated from the date that control ceases. Intra-group transactions, balances and unrealised profits or losses are eliminated fully on consolidation and the consolidated financial statements reflect external transactions only.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree. Separate disclosure is made of minority interest.

(b) Property, Plant and Equipment

Property, plant and equipment except for certain land, buildings, plant and machinery are stated at historical cost less accumulated depreciation and impairment losses.

Certain land, buildings, plant and machinery are stated at revalued amounts, based on valuations carried out by independent professional valuers, Government valuers and Directors, less accumulated depreciation.

Freehold land is not depreciated.

Long term and short term leasehold land are amortised in equal instalments over the periods of the respective leases ranging from 60 to 87 years, expiring in years 2041 to 2082.

Depreciation of other property, plant and equipment, except for spare parts and loose tools, is calculated on the straight line basis so as to write off the cost or valuation of the property, plant and equipment over their estimated useful lives at the following annual rates:

	%
Buildings	2
Renovation	20
Plant and machinery	5 – 10
Furniture, fittings and equipment	10 – 20
Motor vehicles	20

Notes to the Financial Statements

for the financial year ended 31 March 2004

4. Summary of Significant Accounting Policies (Cont'd)

(b) Property, Plant and Equipment (Cont'd)

Initial purchases of spare parts and loose tools have been capitalised and depreciated at annual rates ranging from 20% to 100%. Subsequent purchases of such items have been charged out directly to the income statement.

The land, buildings, plant and machinery have not been revalued since the dates of the revaluation exercises as stated in note 17. The Directors have adopted the transitional provision of International Accounting Standard ("IAS") no. 16 (Revised): Property, Plant and Equipment as adopted by Malaysian Accounting Standards Board ("MASB") in respect of assets carried at previously revalued amounts to retain the carrying amounts of these land, buildings, plant and machinery on the basis of their previous revaluation subject to the continuing application of the current depreciation policy.

Surpluses arising on revaluation are credited to the revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount of the assets arising from revaluation is charged to the income statement.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

At each balance sheet date, the Group assesses whether there is any event or change in circumstances, which indicate that the carrying amount of the asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statement immediately. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset at arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment loss is reversed when there has been a change in the estimates used to determine the asset's recoverable amount, which causes an increase in the recoverable amount. Reversal of impairment loss is recognised to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised. Reversal of impairment loss is recognised in the income statement.

(c) Subsidiary Companies

Investments in subsidiary companies are stated at cost. Allowance for diminution in value of investments in subsidiary companies will be made when, in the opinion of the Directors, there is a permanent diminution in value.

Notes to the Financial Statements

for the financial year ended 31 March 2004

4. Summary of Significant Accounting Policies (Cont'd)

(d) Associated Companies

The Group treats as associated companies, those companies in which a long term equity interest of between 20% and 50% is held or where it is in a position to exercise significant influence over the financial and operating policies.

The Group's share of profits less losses of associated companies is included in the consolidated income statement and the Group's share of post-acquisition retained profits and accumulated losses are added to or deducted from the cost of investments in the consolidated balance sheet respectively.

In the Company's financial statements, investments in associated companies are stated at cost. Allowance for diminution in value of investments in associated companies will be made when, in the opinion of the Directors, there is a permanent diminution in value.

(e) Investments

Quoted investments are stated at the lower of cost and market value. Other investments are stated at cost less allowance for diminution in value. Cost is determined principally on an average basis, computed on the occasion of each acquisition. Allowance for diminution in value is made only if, in the opinion of the Directors, there has been a permanent fall in the value of the investment. Profits or losses realised on sale of investments are taken to the income statement.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories. In general, cost is determined on the first in first out basis. Cost of raw materials and consumables comprise all costs of purchases and other incidental costs in bringing the inventories to their present location and condition. In the case of work in progress and finished goods, cost consists of cost of raw materials, direct labour and an appropriate proportion of factory overheads.

(g) Receivables

Receivables are carried at invoiced amounts less an allowance made for doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off when identified.

(h) Employee benefits

(i) Short Term Employee Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to the Employees Provident Fund, the national defined contribution plan are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

Notes to the Financial Statements

for the financial year ended 31 March 2004

4. Summary of Significant Accounting Policies (Cont'd)

(h) Employee Benefits (Cont'd)

(iii) Defined Benefit Plan

The Group operates an unfunded final salary defined benefit plan for its employees. The liability in respect of the defined benefit plan is the present value of the defined benefit obligations at the balance sheet date adjusted for actuarial gains/losses and past service cost. The defined benefit obligations are assessed using the projected unit credit method. Under this method, the cost of providing defined benefit obligations are charged to the income statement so as to spread the regular cost over the service lives of the employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plan every three years. The Group determines the present value of defined benefit obligations with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date. The last actuarial valuation was carried out as at 31 March 2002.

Actuarial gains and losses are amortised over the period of five years on the straight line basis.

(i) Income Taxes

During the financial year, the Group changed its accounting policy with respect to the recognition of deferred tax liabilities and assets in compliance with MASB Standard no. 25, "Income Taxes". In accordance with MASB standard no. 25, deferred taxation is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements unless the temporary differences arise from initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

In the previous financial years, deferred taxation was provided using the liability method in respect of all material timing differences except to the extent that it can be demonstrated with reasonable probability that the timing differences will not crystallise in the foreseeable future. Deferred tax debits are not accounted for unless their realisation is beyond reasonable doubt.

The change in accounting policy has been accounted for retrospectively.

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances, demand deposits, bank overdrafts and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

for the financial year ended 31 March 2004

4. Summary of Significant Accounting Policies (Cont'd)

(k) Revenue Recognition

Revenue from sales of goods is recognised upon delivery of products.

Income earned in respect of financing of leases and hire-purchase is recognised using the sum-of-digits method while interest income earned on factoring is recognised on the straight line method.

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

Rental income is recognised on an accrual basis.

Interest income is recognised on the accrual basis determined by the principal outstanding and rate applicable.

(l) Foreign Currency Translations

Foreign currency transactions are converted into Ringgit Malaysia at rates of exchange prevailing at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated into Ringgit Malaysia at the exchange rates prevailing at the balance sheet date. All exchange differences are included in the income statement in the financial year in which they arise.

The principal closing rates used in translation of foreign currency amounts are as follows:

Foreign currency	31.3.2004 RM	31.3.2003 RM
1 United States Dollar	3.7965	3.7965
1 Australian Dollar	2.8210	2.2360
1 Singapore Dollar	2.2840	2.1310
1 Euro	4.6730	3.7570
100 Renminbi	NA	45.83
100 Japanese Yen	3.6260	NA

(m) Financial Instruments

(i) Financial Instruments Recognised on the Balance Sheet

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual policy statements associated with each item.

(ii) Fair Value Estimation for Disclosure Purposes

The face values, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

The carrying amounts of floating interest rate financial liabilities with maturity of more than one year are assumed to approximate their fair values.

Notes to the Financial Statements

for the financial year ended 31 March 2004

5. Revenue

	Group	
	2004 RM'000	2003 RM'000
Sales of goods	19,526	25,264
Investment holding	1,569	1,777
Others	53	347
	21,148	27,388

	Company	
	2004 RM'000	2003 RM'000
Interest income	1,816	1,740
Management fees	240	278
Rental income	75	153
Dividend income	12	37
	2,143	2,208

6. (Loss)/Profit from Operations

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

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Depreciation of property, plant and equipment	839	803	92	93
Auditors' remuneration (note 10)	43	38	12	10
Rental of land, office equipment and buildings	81	62	0	0
Allowance for slow moving inventories	1,254	0	0	0
Provision for retirement benefits	40	47	5	4
Goodwill on consolidation written off	0	926	0	0
Loss on disposal of property, plant and equipment	1,626	0	0	0
Realised foreign exchange loss	9	0	0	0
Unrealised foreign exchange loss	3	9	0	0
Staff costs	8,506	8,664	853	1,011

Notes to the Financial Statements

for the financial year ended 31 March 2004

6. (Loss)/Profit from Operations (Cont'd)

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

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Gross dividends from:				
– shares quoted in Malaysia	10	36	10	36
– shares quoted outside Malaysia	2	1	2	1
Interest income	1,640	1,745	1,816	1,740
Rental income	69	163	75	153
Profit on disposal of property, plant and equipment	0	4	0	0
Profit on disposal of investment	151	11	151	11
Bad debts recovered	58	165	0	0
Provision for retirement benefit written back	1	1	0	0
Realised foreign exchange gain	49	18	0	0
Unrealised foreign exchange gain	56	2	0	0

7. Finance Cost

	Group	
	2004 RM'000	2003 RM'000
Interest on bank overdrafts	86	81
Interest on short term borrowing	44	44
	130	125

8. Staff Costs

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Wages, salaries and bonus	7,606	7,817	741	888
Defined contribution retirement plan	508	463	91	106
Defined benefit plan	36	43	5	4
Other employee benefits	356	341	16	13
	8,506	8,664	853	1,011

Notes to the Financial Statements

for the financial year ended 31 March 2004

9. Directors' Remuneration

The Directors of the Company in office during the financial year are as follows:

Non-executive Directors

Tan Sri Dato' Tan Hua Choon

Mr Lee Yu-Jin

Cik Yazween binti Dato' Yahya

Encik Aminuddin Yusof Lana

Mr Ong Euwan George

(appointed on 22 March 2004)

(resigned on 30 August 2003)

Executive Directors

Mr Lim Jian Hoo

Mr Thor Poh Seng

The aggregate amount of emoluments received and/or receivable by Directors of the Company during the financial year is as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
<u>Non-executive Directors</u>				
Fees	37	44	35	42
Other benefit plan	4	1	4	1
<u>Executive Directors</u>				
Salaries and bonus	341	341	341	341
Defined contribution retirement plan	41	41	41	41
Other benefit plan	0	4	0	4
	423	431	421	429

The estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash amounted to RM3,600 (2003: RM4,800) for the Group and the Company.

10. Auditors' Remuneration

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
<u>PricewaterhouseCoopers, Malaysia</u>				
Statutory audit	34	29	12	10
Fees for other services:				
– review of Directors' Statement on Internal Control	3	3	3	3
	37	32	15	13
<u>Other external auditors</u>				
Statutory audit	9	9	0	0
	46	41	15	13

Notes to the Financial Statements

for the financial year ended 31 March 2004

11. Taxation

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
In respect of the current financial year:				
– Malaysian income tax	(251)	(215)	(242)	(204)
Underaccrual in prior financial years				
– Malaysian income tax	(2)	(30)	0	(39)
	(253)	(245)	(242)	(243)

Taxation charge for the Company for the financial year is in respect of interest and rental income.

The numerical reconciliation between tax expense and the product of the accounting (loss)/profit multiplied by the Malaysian tax rate is as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
(Loss)/profit from ordinary activities before taxation	(4,731)	(3,522)	(756)	566
Tax calculated at a tax rate of 28% (2003: 28%)	1,325	986	212	(158)
Tax effects of:				
– expenses not deductible for tax purposes	(669)	(544)	(491)	(51)
– income not subject to tax	43	8	43	8
Temporary differences not recognised:				
– unutilised tax losses	(822)	(540)	0	0
– excess of capital allowances over depreciation	328	0	0	0
– unutilised capital allowances	(459)	(109)	0	0
– others	3	(16)	(6)	(3)
Overaccrual in prior financial years	(2)	(30)	0	(39)
Tax expense	(253)	(245)	(242)	(243)

The Group and the Company have, subject to confirmation by the Inland Revenue Board, the following tax losses, capital allowances and reinvestment allowances carried forward against which no future tax benefit has been taken up.

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Tax losses carried forward	27,503	24,253	641	641
Unabsorbed capital allowances	17,574	15,365	544	528
Unabsorbed reinvestment allowances	1,136	1,221	0	0

Notes to the Financial Statements

for the financial year ended 31 March 2004

12. Loss per Share

Group

Basic loss per share

Basic loss per share of the Group is calculated by dividing the loss for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	2004	2003
Loss for the financial year (RM'000)	(3,412)	(2,629)
Weighted average number of ordinary shares in issue ('000)	130,361	123,119
Basic loss per share (Sen)	(2.6)	(2.1)

Diluted loss per share

The diluted loss per share is not presented in the financial statements as there was no dilutive event.

13. Share Capital

Group and Company

	2004 RM'000	2003 RM'000
Authorised:		
200,000,000 ordinary shares of RM0.50 each	100,000	100,000
Issued and fully paid:		
130,361,472 (2003: 108,634,560) ordinary shares of RM0.50 each		
At 1 April	65,180	54,317
Bonus issue appropriated from retained profits	0	10,863
At 31 March	65,180	65,180

14. Reserves

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Non-distributable reserves				
Exchange fluctuation reserve	0	288	0	0
Share premium account	13,296	13,296	13,296	13,296
Property revaluation surplus	812	812	0	0
Capital reserve	815	815	1,800	1,800
	14,923	15,211	15,096	15,096
(Accumulated loss)/Retained profit	(2,005)	1,407	5,577	6,575
	12,918	16,618	20,673	21,671

The Company's capital reserve relates to the capitalisation of the profits on disposal of investment in a subsidiary company.

Notes to the Financial Statements

for the financial year ended 31 March 2004

15. Retirement Benefits

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Current	24	23	0	0
Non-current	917	928	42	37
	941	951	42	37

The movements during the financial year in the amount recognized in the balance sheet in respect of the Group and the Company's retirement benefits plan are as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
As at 1 April	951	925	37	37
Charged to income statement	40	47	5	4
Benefits paid during the financial year	(50)	(21)	0	(4)
At 31 March	941	951	42	37

The amounts recognised in the Group and Company's balance sheet may be analysed as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Present value of unfunded obligations	827	738	33	25
Unrecognised transitional liability	114	213	9	12
	941	951	42	37

The expense recognized in the Group and in the Company's income statement may be analysed as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Current service cost	55	67	6	5
Interest cost	51	46	2	2
Amortisation of transitional liability	(66)	(66)	(3)	(3)
	40	47	5	4
Included in:				
Cost of sales	26	26	0	0
Administrative expenses	14	21	5	4
	40	47	5	4

Notes to the Financial Statements

for the financial year ended 31 March 2004

15. Retirement Benefits (Cont'd)

The principal actuarial assumptions used in respect of the defined benefit plans of the Group and of the Company are as follows:

	Group		Company	
	2004	2003	2004	2003
	%	%	%	%
Discount rate	7.0	7.0	7.0	7.0
Expected rate of salary increases	5.0	5.0	5.0	5.0

16. Deferred Taxation

The movements during the financial year relating to deferred taxation are as follows:

	Group	
	2004	2003
	RM'000	RM'000
As at 1 April		
As previously reported	0	0
Change in accounting policy (note 33)	25	25
As restated	25	25
Movement during the year	0	0
As at 31 March	25	25

The above deferred tax liability is in respect of the taxable temporary differences between the carrying amount and tax base of the revalued freehold land of RM512,784 at the minimum property gains tax rate of 5%.

Notes to the Financial Statements

for the financial year ended 31 March 2004

17. Property, Plant and Equipment

The details of property, plant and equipment are as follows:

Group	Freehold/ leasehold land, at cost/ at valuation RM'000	Buildings at cost RM'000	Buildings at valuation RM'000	Reno- vation at cost RM'000	Plant and machinery at cost RM'000	Plant and machinery at valuation RM'000	Furniture, fittings and equipment at cost RM'000	Motor vehicles at cost RM'000	Spare parts and loose tools at cost RM'000	Total RM'000
2004										
Cost or valuation										
At 1 April 2003	13,231	9,518	1,555	0	19,813	85	2,857	837	397	48,293
Additions	0	64	0	90	5,735	0	144	178	0	6,211
Disposals	(3,829)	0	0	0	0	0	(5)	0	0	(3,834)
At 31 March 2004	9,402	9,582	1,555	90	25,548	85	2,996	1,015	397	50,670
Accumulated depreciation										
At 1 April 2003	1,130	2,823	646	0	19,035	76	2,525	636	396	27,267
Charge for the financial year	47	191	31	10	387	4	88	80	1	839
Disposals	(466)	0	0	0	0	0	(3)	0	0	(469)
At 31 March 2004	711	3,014	677	10	19,422	80	2,610	716	397	27,637
Net book value										
31 March 2004	8,691	6,568	878	80	6,126	5	386	299	0	23,033
31 March 2003	12,101	6,695	909	0	778	9	332	201	1	21,026

Notes to the Financial Statements

for the financial year ended 31 March 2004

17. Property, Plant and Equipment (Cont'd)

The Group's freehold and leasehold land comprise:

	Freehold land, at cost RM'000	Freehold land, at valuation RM'000	Long term leasehold land, at cost RM'000	Long term leasehold land, at valuation RM'000	Short term leasehold land, at cost RM'000	Total RM'000
2004						
Cost or valuation						
At 1 April 2003	4,854	737	2,284	875	4,481	13,231
Disposal	0	0	0	0	(3,829)	(3,829)
31 March 2004	4,854	737	2,284	875	652	9,402
Accumulated depreciation						
At 1 April 2003	0	0	241	196	693	1,130
Charge for the financial year	0	0	27	9	11	47
Disposal	0	0	0	0	(466)	(466)
At 31 March 2004	0	0	268	205	238	711
Net book value						
31 March 2004	4,854	737	2,016	670	414	8,691
31 March 2003	4,854	737	2,043	679	3,788	12,101
Company	Freehold/ leasehold land, at cost/ at valuation RM'000	Buildings, at cost RM'000	Buildings, at valuation RM'000	Furniture, fittings and equipment, at cost RM'000	Motor vehicles, at cost RM'000	Total RM'000
2004						
Cost or valuation						
At 1 April 2003/31 March 2004	5,660	1,626	93	493	167	8,039
Accumulated depreciation						
At 1 April 2003	195	434	42	441	102	1,214
Charge for the financial year	10	32	2	15	33	92
At 31 March 2004	205	466	44	456	135	1,306
Net book value						
31 March 2004	5,455	1,160	49	37	32	6,733
31 March 2003	5,465	1,192	51	52	65	6,825

Notes to the Financial Statements

for the financial year ended 31 March 2004

17. Property, Plant and Equipment (Cont'd)

Company

The Company's freehold and leasehold land comprise:

	Freehold land, at cost RM'000	Freehold land, at valuation RM'000	Long term leasehold land, at valuation RM'000	Total RM'000
2004				
Cost or valuation				
At 1 April 2003/31 March 2004	4,718	67	875	5,660
Accumulated depreciation				
At 1 April 2003	0	0	195	195
Charge for the financial year	0	0	10	10
At 31 March 2004	0	0	205	205
Net book value				
31 March 2004	4,718	67	670	5,455
31 March 2003	4,718	67	680	5,465

The long term leasehold land and buildings with net book values of RM6,273,338 (2003: RM6,416,847) of a subsidiary company have been pledged as security for bank overdraft facilities.

Valuations

Valuations on an existing use basis carried out on certain property, plant and equipment of the Group and of the Company are as follows:

Year of valuation	Valuation by	The Company	Subsidiary companies
1977) Independent	—	Plant and machinery
1981) professional	—	Freehold land and buildings
1983) valuers	Land and buildings	Land and buildings
1986	Directors	—	Plant and machinery
1987	Government valuers	—	Freehold land and building
1987	Directors	—	Plant and machinery

The Directors have adopted the transitional provision of IAS no. 16 (Revised): Property, Plant and Equipment as adopted by MASB in respect of assets carried at previously revalued amounts to retain the carrying amounts of these land, buildings, plant and machinery on the basis of their previous revaluation subject to the continuing application of the current depreciation policy.

Notes to the Financial Statements

for the financial year ended 31 March 2004

17. Property, Plant and Equipment (Cont'd)

The net book values of the property, plant and equipment at valuation that would otherwise be stated in the financial statements had the assets been carried at cost less accumulated depreciation are as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Freehold land	215	216	59	59
Long term leasehold land	55	55	55	55
Buildings	618	643	46	47
	888	914	160	161

18. Subsidiary Companies

Company	2004 RM'000	2003 RM'000
Unquoted shares, at cost	23,025	23,025
Allowance for diminution in value of shares	(10,154)	(6,630)
	12,871	16,395

The subsidiary companies are:

Name of company	Place of incorporation	Holding in equity				Principal activities
		By the Company		By subsidiary companies		
		2004 %	2003 %	2004 %	2003 %	
Maica Wood Industries Sdn. Bhd.	Malaysia	64.4	64.4	Nil	Nil	Manufacture of knocked-down furniture parts and mouldings from rubber wood
Maicador Sdn. Bhd.	Malaysia	Nil	Nil	100	100	Manufacture of prefabricated doors and door frames
* Consolidated Leasing (M) Sdn. Bhd.	Malaysia	100	100	Nil	Nil	Investment holding and the financing of leases and hire purchase
* Consolidated Factoring (M) Sdn. Bhd.	Malaysia	Nil	Nil	91.9	91.9	Factoring of debts
* Maritime Credits (Malaysia) Sdn. Bhd.	Malaysia	Nil	Nil	100	100	Granting of commercial credits

Notes to the Financial Statements

for the financial year ended 31 March 2004

18. Subsidiary Companies (Cont'd)

		Holding in equity				
Name of company	Place of incorporation	By the Company		By subsidiary companies		Principal activities
		2004	2003	2004	2003	
		%	%	%	%	
* Pinaremas Sdn. Bhd.	Malaysia	100	100	Nil	Nil	Investment holding
* Syarikat Kilang Ayer Batu Kuala Kedah Sdn. Bhd.	Malaysia	Nil	Nil	75	75	Manufacture of ice blocks
* Modern Woodwork Sdn. Bhd.	Malaysia	100	100	Nil	Nil	Investment holding
* Suradamai Sdn. Bhd.	Malaysia	Nil	Nil	100	100	Dormant
* Ambang Arena Sdn. Bhd.	Malaysia	100	100	Nil	Nil	Dormant
* Maica (Shantou) Limited Company	People’s Republic of China	100	100	Nil	Nil	Dormant
* Not audited by PricewaterhouseCoopers						

19. Associated Companies

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Unquoted shares, at cost	696	696	696	696
Allowance for diminution in value of shares	(24)	(24)	(24)	(24)
	672	672	672	672
Share of post-acquisition retained profits less losses	618	716	0	0
Share of property revaluation surplus	713	713	0	0
	2,003	2,101	672	672
Represented by:				
Group's share of net tangible assets	2,304	2,402		
Discount on acquisition	(301)	(301)		
	2,003	2,101		

Notes to the Financial Statements

for the financial year ended 31 March 2004

19. Associated Companies (Cont'd)

The associated companies are:

Name of company	Place of incorporation	Holding in equity		Principal activities
		2004 %	2003 %	
Maica Corporation (Aust) Pty. Ltd.	Australia	30	30	Dormant
Mahakota Sdn. Bhd.	Malaysia	25.4	25.4	Woodworks manufacturer and dealer in timber and wood

20. Investments

Group

	2004		2003	
	Cost RM'000	Market value RM'000	Cost RM'000	Market value RM'000
Quoted shares in corporations, at cost				
– Malaysia	99	50	449	467
– Overseas	36	56	36	37
Total investment in shares	135	106	485	504
Unquoted shares in corporations, at cost	1,282		1,282	
Allowance for diminution in value of shares	(950)		(950)	
	332		332	
Total investment in shares	467		817	
Investment in club membership	25		25	
	492		842	

Company

	2004		2003	
	Cost RM'000	Market value RM'000	Cost RM'000	Market value RM'000
Quoted shares in corporations, at cost				
– Malaysia	99	50	449	467
– Overseas	36	56	36	37
	135	106	485	504
Unquoted shares in corporations, at cost	50		50	
Allowance for diminution in value of shares	(50)		(50)	
	0		0	
	135		485	

Notes to the Financial Statements

for the financial year ended 31 March 2004

21. Inventories

Group	2004 RM'000	2003 RM'000
At cost:		
Raw materials	1,354	1,611
Work in progress	2,755	2,535
Finished products	957	713
Consumable goods	359	327
	5,425	5,186
At net realisable value:		
Finished products	46	142
	5,471	5,328
Allowance for slow moving inventories	(1,254)	0
	4,217	5,328

22. Trade Receivables

Group

All trade receivables are denominated in Ringgit Malaysia.

The credit terms extended to trade receivables range from payment in advance to 90 days (2003: payment in advance to 90 days).

Concentration of credit risk with respect to trade and bills receivable are limited as the Group's customers are internationally dispersed. The management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade and bills receivables.

23. Bills Receivable

Group

The currency exposure profile of bills receivables is as follows:-

	2004 RM'000	2003 RM'000
United States Dollar	764	1,512
Australian Dollar	151	212
	915	1,724

Notes to the Financial Statements

for the financial year ended 31 March 2004

24. Investment in Finance Leases

Group

	2004 RM'000	2003 RM'000
Amounts due:		
Within the next twelve months	229	229
Unearned lease income	(14)	(14)
	215	215
Portion not financed	0	0
	215	215
Allowance for doubtful debts	(215)	(215)
	0	0

25. Hire-purchase Receivables

Company

	2004 RM'000	2003 RM'000
Amounts due:		
Within the next twelve months	2,268	2,353
Unearned interest income	(699)	(698)
	1,569	1,655
Allowance for doubtful debts	(1,569)	(1,655)
	0	0

26. Factoring Receivables

Group

	2004 RM'000	2003 RM'000
Amounts financed	805	805
Allowance for doubtful debts	(802)	(802)
	3	3

27. Other Receivables, Deposits and Prepayments

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Other receivables	41	135	5	4
Deposits	213	124	62	62
Prepayments	109	154	0	0
	363	413	67	66
Allowance for doubtful debts	(30)	(30)	0	0
	333	383	67	66

All other receivables and deposits are denominated in Ringgit Malaysia.

Notes to the Financial Statements

for the financial year ended 31 March 2004

28. Amounts Due from Subsidiary Companies

Company	2004 RM'000	2003 RM'000
Amounts due from subsidiary companies	17,614	7,974
Allowance for doubtful debts	(815)	(815)
	16,799	7,159

Amounts due from subsidiary companies are denominated in Ringgit Malaysia.

Amounts due from subsidiary companies are primarily interest free, unsecured advances with no fixed terms of repayment except for advances to subsidiary companies, Maica Wood Industries Sdn. Bhd. and Maicador Sdn. Bhd., amounting to RM12,682,034 (2003: RM3,182,034) which bear interest at 6% (2003: 4%) per annum.

29. Deposits, Cash and Bank Balances

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Fixed deposits with licensed banks	52,449	59,535	48,259	55,506
Cash and bank balances	1,983	1,130	665	325
	54,432	60,665	48,924	55,831

The effective interest rates as at balance sheet date of fixed deposits with licensed banks for the Group and Company range from 2.6% to 4.0% (2003: 2.6% to 4.0%) per annum.

The maturity of deposits of the Group and of the Company range from 29 to 366 days (2003: 30 to 365 days).

Deposits, cash and bank balances as at the balance sheet date are denominated in Ringgit Malaysia.

30. Trade and Other Payables

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade payables	1,407	902	0	0
Other payables	1,375	647	16	23
Accruals	451	653	89	103
	3,233	2,202	105	126

The credit terms extended by trade and other payables range from 7 to 60 days (2003: 7 to 60 days).

Notes to the Financial Statements

for the financial year ended 31 March 2004

30. Trade and Other Payables (Cont'd)

The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Ringgit Malaysia	2,090	2,172	105	126
Singapore Dollar	18	30	0	0
United States Dollar	560	0	0	0
Euro	554	0	0	0
Japanese Yen	11	0	0	0
	3,233	2,202	105	126

31. Short Term Borrowing

Group	2004 RM'000	2003 RM'000
Revolving credit	1,000	1,000

The short term borrowing is unsecured. The interest rates for the financial year range from 4.25% to 4.38% (2003: 4.38% to 4.43%) per annum.

The effective interest rate as at the balance sheet date is 4.25% (2003: 4.38%) per annum.

The short term borrowing is denominated in Ringgit Malaysia.

32. Bank Overdrafts

Group	2004 RM'000	2003 RM'000
Secured	0	2,038
Unsecured	86	146
	86	2,184

The secured portion of the bank overdrafts is secured by fixed charges over certain property, plant and equipment and floating charges over current assets of certain subsidiary companies (note 17).

The interest rates for the financial year range from 4.10% to 6.75% (2003: 4.10% to 7.15%) per annum.

The effective interest rates as at the balance sheet date range from 4.10% to 6.75% (2003: 4.20% to 7.15%) per annum.

The bank overdrafts are denominated in Ringgit Malaysia.

Notes to the Financial Statements

for the financial year ended 31 March 2004

33. Change in Accounting Policy

Group

During the financial year ended 31 March 2004, the Group changed its accounting policy with respect to deferred taxation in compliance with MASB Standard 25, "Income Taxes".

This change in accounting policy has been accounted for retrospectively. The new accounting policy does not have a material effect on the Group's net profit after taxation for the financial year ended 31 March 2004. The comparative figures for the financial year ended 31 March 2004 have been restated to conform to the changed policy. The effects of the change in accounting policy on the Group's financial statements are as follows:

	As previously reported RM'000	Effects of change in policy RM'000	As restated RM'000
Group			
At 1 April 2002			
– retained profit	14,912	(13)	14,899
– capital reserve	824	(9)	815
– minority interests	3,700	(3)	3,697
– deferred taxation	0	25	25
At 1 April 2003			
– retained profit	1,420	(13)	1,407
– capital reserve	824	(9)	815
– minority interests	2,157	(3)	2,154
– deferred taxation	0	25	25

34. Cash and Cash Equivalents

Cash and cash equivalents included in the cash flow statements comprise the following:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Fixed deposits with licensed banks	52,449	59,535	48,259	55,506
Cash and bank balances	1,983	1,130	665	325
	54,432	60,665	48,924	55,831
Bank overdrafts (note 32)	(86)	(2,184)	0	0
	54,346	58,481	48,924	55,831

Notes to the Financial Statements

for the financial year ended 31 March 2004

35. Segmental Information

Group

Primary reporting format – Business segments

	2004				2003			
	Manufac- turing of wood products RM'000	Investment holding RM'000	Others RM'000	Total RM'000	Manufac- turing of wood products RM'000	Investment holding RM'000	Others RM'000	Total RM'000
Revenue								
Total revenue	19,172	2,143	406	21,721	25,264	2,208	347	27,819
Inter-segment revenue	0	(573)	0	(573)	0	(431)	0	(431)
External revenue	19,172	1,570	406	21,148	25,264	1,777	347	27,388
Results								
Segment results (external)	(3,607)	(1,289)	424	(4,472)	(3,096)	478	(2)	(2,620)
Unallocated expense				0				(926)
Loss from operations				(4,472)				(3,546)
Finance cost				(130)				(125)
Share of results of associated companies				(129)				149
Loss from ordinary activities before taxation				(4,731)				(3,522)
Taxation				(253)				(245)
Share of tax of associated companies				31				(50)
Loss from ordinary activities after taxation				(4,953)				(3,817)
Minority interests				1,541				1,188
Net loss for the financial year				(3,412)				(2,629)
Other information								
Segment assets	22,179	60,167	3,412	85,758	19,818	66,144	6,338	92,300
Unallocated asset				23				3
Total assets				85,781				92,303
Segment liabilities	4,985	169	105	5,259	6,039	25	273	6,337
Unallocated liabilities				270				446
Total liabilities				5,529				6,783
Capital expenditure	6,211	0	0	6,211	229	0	0	229
Depreciation	737	96	6	839	607	97	99	803
Non cash expenses other than depreciation:								
Provision for retirement benefits	35	5	0	40	43	4	0	47
Share of the net (profit)/loss of associates accounted for under equity method	0	(129)	0	(129)	0	149	0	149

Notes to the Financial Statements

for the financial year ended 31 March 2004

35. Segmental Information (Cont'd)

Primary reporting format – Business segments (Cont'd)

Intersegment revenue represents management fees chargeable to subsidiary companies, interest income and rental income (note 5). Unallocated expense in respect of the previous financial year is in respect of goodwill written off (note 6). Segment assets consist of property, plant and equipment, operating assets and exclude tax recoverable. Segment liabilities represent operating liabilities and exclude taxation and deferred taxation.

Capital expenditure comprises the additions to property, plant and equipment (note 17).

The activities of the Group are carried out in Malaysia and as such segmental reporting by geographical location is not presented.

The terms of the inter-segment revenue are established based on agreement between the parties.

36. Significant Related Party Transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, other significant related party information is set out below:

Company	2004 RM'000	2003 RM'000
Interest income from subsidiary companies:		
– Maicador Sdn. Bhd.	191	127
– Maica Wood Industries Sdn. Bhd.	109	0
Rental income from subsidiary companies:		
– Maicador Sdn. Bhd.	30	26
– Maica Wood Industries Sdn. Bhd.	4	0
Management fees from subsidiary companies:		
– Consolidated Leasing (M) Sdn. Bhd.	0	36
– Maicador Sdn. Bhd.	120	120
– Maica Wood Industries Sdn. Bhd.	120	120

Statement by Directors

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

We, Lim Jian Hoo and Thor Poh Seng, being two of the Directors of Malaysia Aica Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 26 to 56 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2004 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 15 July 2004.

Lim Jian Hoo

Director

Thor Poh Seng

Director

Statutory Declaration

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

I, Teoh Beng Chong, the officer primarily responsible for the financial management of Malaysia Aica Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 26 to 56 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Teoh Beng Chong

Subscribed and solemnly declared by the abovenamed Teoh Beng Chong on 15 July 2004.

Before me

Chai Choon Kiat

Commissioner for Oaths

Analysis of Shareholdings

as at 6 August 2004

A. Share Capital

Authorised Share Capital	:	RM100,000,000.00 (200,000,000 ordinary shares of RM0.50 each)
Issued and Paid-up Capital	:	RM 65,180,736.00 (130,361,472 ordinary shares of RM0.50 each)
Voting Rights	:	One vote for each ordinary share held

B. Distribution of Shareholdings

Holdings	No. of Holders	Total Holdings	% of Holdings
Less than 100	143	6,309	0.01
100 – 1,000	1,104	892,225	0.68
1,001 – 10,000	3,752	11,946,637	9.16
10,001 – 100,000	518	12,956,501	9.94
100,001 – less than 5% of issued shares	66	72,910,371	55.93
5% and above of issued shares	2	31,649,429	24.28
	5,585	130,361,472	100.00

C. Thirty Largest Registered Shareholders

(As per the Record of Depositors of the Company)

Name of Shareholders	No. of Shares	% of Holdings
1. Tan Sri Dato' Tan Hua Choon	22,641,985	17.37
2. Permodalan Nasional Berhad	9,007,444	6.91
3. Cheong Siew Yoong	6,340,000	4.86
4. Low Cheng Peng	6,156,000	4.72
5. Wong Chee Choon	6,084,000	4.67
6. Ong Poh Geok	5,128,300	3.93
7. Lim Siew Sooi	4,780,500	3.67
8. Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Eng Huat (REM-650)	4,649,300	3.57
9. Ong Wee Lieh	4,354,700	3.34
10. F.I.T Nominees (Asing) Sdn Bhd Tan Lay Choo -025	3,919,200	3.01
11. Gan Lock Yong @ Gan Choon Hur	2,727,600	2.09
12. Sin Len Moi	2,656,700	2.04
13. Ong Huey Peng	2,630,000	2.02
14. Ong Har Hong	2,376,100	1.82
15. Chew Boon Seng	1,933,600	1.48
16. Ong Huey Peng	1,737,400	1.33
17. Chew Boon Seng	1,482,171	1.14
18. Chong Wah Lee	1,204,800	0.92

Analysis of Shareholdings

as at 6 August 2004

C. Thirty Largest Registered Shareholders (Cont'd)

(As per the Record of Depositors of the Company)

Name of Shareholders	No. of Shares	% of Holdings
19. Tan Lay Choo	1,062,000	0.81
20. M.I.T Nominees (Tempatan) Sdn Bhd Ong Huey Peng -025	978,348	0.75
21. Lim Siak Hwah	774,400	0.59
22. Hussein Noordin Sdn. Berhad	695,250	0.53
23. Loh Boh Chong & Sons Sdn Berhad	677,731	0.52
24. Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Fathil bin Mohamed (14570MM0347)	661,300	0.51
25. Wong Hok Yim	552,000	0.42
26. PM Nominees (Tempatan) Sdn Bhd Pledged securities account for Ahmad Kabeer bin Mohamed Nagoor (A)	500,000	0.38
27. Chew Choon Soo	400,000	0.31
28. Lim Eng Huat	383,400	0.29
29. Syarikat Jeragan (Holdings) Sdn Bhd	354,450	0.27
30. HLB Nominees (Tempatan) Sdn Bhd Pledged securities account for Koay Chee Hong	350,000	0.27

D. Substantial Shareholders

(As per the Register of Substantial Shareholders of the Company)

Name of Shareholders	No. of Shares		Total	% of Holdings
	Direct Interest	Deemed Interest		
1. Tan Sri Dato' Tan Hua Choon	22,641,985	—	22,641,985	17.37
2. Permodalan Nasional Berhad	9,007,444	—	9,007,444	6.91
3. Yayasan Pelaburan Bumiputra	—	9,007,444*	9,007,444	6.91

* Deemed interest through its shareholding of 100% less one share of Permodalan Nasional Berhad by virtue of Section 6A of the Companies Act, 1965

E. Directors' Shareholdings

(As per the Register of Directors' Shareholdings of the Company)

Name of Director	No. of Shares		Total	% of Holdings
	Direct Interest	Deemed Interest		
1. Tan Sri Dato' Tan Hua Choon	22,641,985	—	22,641,985	17.37

List of Properties Held by the Group

as at 31 March 2004

Date of Acquisition/ Revaluation	Location	Description	Existing Use	Tenure/ Approximate Age of Building	Area (Sq. metres)	Net Book Value as at 31.3.2004 (RM)
31.03.1985 (Acquisition)	Lot 1772 Section 3 Mak Mandin Industrial Estate Seberang Perai Pulau Pinang	Land & Industrial Building	Factory	Leasehold 69 years 1981 to 2071/ 35 years	5,052	745,000
31.03.1983 (Revaluation)	Lot 1780 Section 3 Mak Mandin Industrial Estate Seberang Perai Pulau Pinang	Land & Industrial Building	Factory	Leasehold 71 years 1983 to 2073/ 28 years	13,575	1,683,000
30.11.1992 (Acquisition)	68-5-1, Maica Court 68, Jalan Cantonment Pulau Pinang	Residential Apartment	Residential	Freehold/Strata 19 years	255	241,000
31.03.1983 (Revaluation)	824, Taman Seluang Kulim, Kedah	Land & Residential Building	Hostel	Freehold/ 23 years	418	117,000
31.03.1986 (Acquisition)	17, Jalan Anson Pulau Pinang	Land & Commercial Building	Vacant	Freehold/ 64 years	2,518	4,191,000
31.03.1990 (Acquisition)	9 Jalan Zainal Abidin Pulau Pinang	Land & Commercial Building	Office	Freehold/ 16 years	362	1,444,000
31.03.1987 (Acquisition)	Plot 23 Kulim Industrial Estate Kulim, Kedah	Land & Industrial Building	Factory	Leasehold 38 years 1981 to 2041/ 23 years	59,934	4,375,000
31.08.1995 (Acquisition)	Plot 44 Kulim Industrial Estate Kulim, Kedah	Land & Industrial Building	Factory	Leasehold 79 years 1983 to 2082/ 4 years	14,164	2,311,000
31.03.1987 (Revaluation)	Batu 6 Jalan Kuala Kedah Kuala Kedah, Kedah	Land & Industrial Building	Factory	Freehold/ 56 years	3,824	409,000
15.12.1981 (Revaluation)	15 Jalan Zainal Abidin Pulau Pinang	Land & Commercial Building	Office	Freehold/ 26 years	203	484,000
19.09.1990 (Acquisition)	Lot 946 Mukim 11 Balik Pulau Pulau Pinang	Land	Vacant	Freehold	5,204	137,000
						16,137,000

Proxy Form

I/We _____ NRIC No./Company No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

being a member of **MALAYSIA AICA BERHAD**, hereby appoint _____
(FULL NAME IN BLOCK LETTERS)

_____ NRIC No. _____

of _____
(FULL ADDRESS)

representing _____ percentage (%) of my/our shareholdings in the Company

and/or failing him/her _____ NRIC No. _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

representing _____ percentage (%) of my/our shareholdings in the Company and/or failing him/her, the **Chairman of the Meeting** as my/our proxy/proxies to vote for me/us on my/our behalf, at the Thirty-Fifth Annual General Meeting ("35th AGM") of the shareholders of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian and Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur, Malaysia on Tuesday, 28 September, 2004 at 11.00 a.m. or any adjournment thereof.

The proxy is to vote on the Resolutions set out in the notice of the 35th AGM as indicated with an 'X' at the relevant columns. If no voting instructions are given, the proxy may vote or abstain from voting at his/her discretion.

Resolutions	For	Against
Ordinary Resolution No. 1		
Ordinary Resolution No. 2		
Ordinary Resolution No. 3 (a)		
Ordinary Resolution No. 3 (b)		
Ordinary Resolution No. 3 (c)		
Ordinary Resolution No. 4		
Ordinary Resolution No. 5		

No. of shares held

Signature/Seal

Signed this _____ day of _____, 2004

Notes:

- A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965, shall not apply to the Company. Where a member appoints more than one (1) proxy (but not more than two), the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.
- The Proxy Form shall be deposited with the Company's Share Registrars, PFA Registration Services Sdn Bhd, Level 13, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

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STAMP

MALAYSIA AICA BERHAD (8235-K)
c/o PFA Registration Services Sdn Bhd
Level 13, Uptown 1, No. 1, Jalan SS21/58
Damansara Uptown, 47400 Petaling Jaya
Selangor Darul Ehsan

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