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Directors' Report

for the financial year ended 31 March, 2003

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 2003.

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 the subsidiary companies are set out in note 14 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)/profit from ordinary activities after taxation	(3,817)	323
Minority interests	1,188	0
Net (loss)/profit for the financial year	<u>(2,629)</u>	<u>323</u>

DIVIDEND

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

RESERVES AND PROVISIONS

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

SHARE CAPITAL

During the financial year, the issued share capital of the Company was increased from RM54,317,280 to RM65,180,736 by way of a bonus issue of 21,726,912 ordinary shares of RM0.50 each on the basis of one share for every five ordinary shares of RM0.50 each held.

DIRECTORS

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

Tan Sri Dato' Tan Hua Choon
 Mr Ong Euwan George
 Mr Lim Jian Hoo
 Mr Thor Poh Seng
 Cik Yazween Binti Dato' Yahya
 Mr Lee Yu-Jin

Directors' Report

for the financial year ended 31 March, 2003

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			31 March 2003
	1 April 2002	Addition	Disposal	
Malaysia Aica Berhad				
Tan Sri Dato' Tan Hua Choon				
Direct	18,868,321	0	0	18,868,321

None of the Directors in office at the end of the financial year held any other interests in the shares in the Company or 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 6 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:

- (a) 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
- (b) 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:

- (a) 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
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may 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, 2003

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.

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 22 July 2003.

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 52. 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 2003 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 14 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

22 July 2003

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

Income Statements

for the financial year ended 31 March, 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Revenue	5	27,388	25,660	2,208	2,307
Cost of sales		(25,705)	(25,117)	0	0
Gross profit		1,683	543	2,208	2,307
Other operating income		408	2,175	11	145
Selling and distribution costs		(938)	(877)	0	0
Administration expenses		(3,764)	(3,794)	(1,653)	(1,296)
Other operating expenses		(935)	(288)	0	0
(Loss)/profit from operations	6	(3,546)	(2,241)	566	1,156
Finance cost	7	(125)	(143)	0	0
Share of results of associated companies		149	(30)	0	0
(Loss)/profit from ordinary activities before taxation		(3,522)	(2,414)	566	1,156
Taxation	8	(245)	(365)	(243)	(341)
Share of tax of associated companies		(50)	(10)	0	0
(Loss)/profit from ordinary activities after taxation		(3,817)	(2,789)	323	815
Minority interests		1,188	1,303	0	0
Net (loss)/profit for the financial year		(2,629)	(1,486)	323	815
Loss per share					
– basic	9	(2.1 sen)	(1.2 sen)		
– diluted	9	0	0		

The accounting policies and the notes on pages 31 to 52 form an integral part of these financial statements.

Balance Sheets

as at 31 March, 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Capital and reserves					
Share capital	10	65,180	54,317	65,180	54,317
Reserves	11	16,640	30,132	21,671	32,211
		81,820	84,449	86,851	86,528
Non-current liabilities					
Minority interests		3,700	4,889	0	0
Retirement benefits	12	928	915	37	37
		86,448	90,253	86,888	86,565
Represented by:					
Non-current assets					
Property, plant and equipment	13	21,026	21,606	6,825	6,918
Subsidiary companies	14	0	0	16,395	16,395
Associated companies	15	2,101	2,002	672	672
Investments	16	842	905	485	548
Goodwill on consolidation		0	926	0	0
		23,969	25,439	24,377	24,533
Current assets					
Inventories	17	5,328	8,043	0	0
Trade receivables	18	228	1,081	0	0
Bills receivable	19	1,724	2,281	0	0
Investment in finance leases	20	0	0	0	0
Hire-purchase receivables	21	0	0	0	0
Factoring receivables	22	3	3	0	0
Other receivables, deposits and prepayments	23	383	342	66	82
Tax recoverable		3	0	0	0
Amounts due from subsidiary companies	24	0	0	7,159	7,087
Deposits, cash and bank balances	25	60,665	59,777	55,831	55,497
		68,334	71,527	63,056	62,666
Current liabilities					
Trade and other payables	26	2,202	2,856	126	127
Retirement benefits	12	23	10	0	0
Short term borrowing	27	1,000	1,000	0	0
Provision for taxation		446	546	419	499
Dividend payable/proposed		0	8	0	8
Bank overdrafts	28	2,184	2,293	0	0
		5,855	6,713	545	634
Net current assets		62,479	64,814	62,511	62,032
		86,448	90,253	86,888	86,565

The accounting policies and the notes on pages 31 to 52 form an integral part of these financial statements.

Consolidated

Statement of Changes in Equity

for the financial year ended 31 March, 2003

Group	Issued and fully paid ordinary shares of ← RM0.50 each →		← Non-distributable →			← Distributable →		Total RM'000
	Number of shares	Nominal value RM'000	Exchange fluctuation reserve RM'000	Share premium RM'000	Property revaluation surplus RM'000	Capital reserve RM'000	Retained profit RM'000	
At 1 April 2001	108,634,560	54,317	0	13,296	812	824	16,398	85,647
Currency translation differences	0	0	288	0	0	0	0	288
Net gain not recognised in income statement	0	0	288	0	0	0	0	288
Net loss for the financial year	0	0	0	0	0	0	(1,486)	(1,486)
At 31 March 2002	108,634,560	54,317	288	13,296	812	824	14,912	84,449
At 1 April 2002	108,634,560	54,317	288	13,296	812	824	14,912	84,449
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	824	1,420	81,820

The accounting policies and the notes on pages 31 to 52 form an integral part of these financial statements.

Statement of Changes in Equity

for the financial year ended 31 March, 2003

Company	Issued and fully paid ordinary shares of ← RM0.50 each →		← Non-distributable →		← Distributable →	
	Number of shares	Nominal value RM'000	Share premium RM'000	Capital reserve RM'000	Retained profit RM'000	Total RM'000
At 1 April 2001	108,634,560	54,317	13,296	1,800	16,300	85,713
Net profit for the financial year	0	0	0	0	815	815
At 31 March 2002	108,634,560	54,317	13,296	1,800	17,115	86,528
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

The accounting policies and the notes on pages 31 to 52 form an integral part of these financial statements.

Cash Flow Statements

for the financial year ended 31 March, 2003

Note	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Operating cash flows				
Cash receipts from customers	27,397	26,563	376	671
Cash payments to suppliers	(27,544)	(25,933)	(1,562)	(1,193)
Cash flows (used in)/from operations	(147)	630	(1,186)	(522)
Retirement benefits paid	(17)	(10)	(4)	0
Interest paid	(125)	(143)	0	0
Taxation paid	(347)	(389)	(323)	(368)
	(489)	(542)	(327)	(368)
Net operating cash flows	(636)	88	(1,513)	(890)
Investing cash flows				
Net dividends received from other investments	37	23	37	23
Proceeds from disposal of property, plant and equipment	10	341	0	145
Purchase of property, plant and equipment	(229)	(220)	0	0
Proceeds from disposal of quoted investments	74	0	74	0
Interest received	1,745	1,680	1,740	1,807
Net investing cash flows	1,637	1,824	1,851	1,975
Financing cash flows				
Dividends paid	(4)	(12)	(4)	(12)
Receipt of short term borrowing	0	622	0	0
Net financing cash flows	(4)	610	(4)	(12)
Net change in cash and cash equivalents	997	2,522	334	1,073
Cash and cash equivalents at beginning of the financial year	57,484	54,962	55,497	54,424
Cash and cash equivalents at end of the financial year	58,481	57,484	55,831	55,497
	29			

The accounting policies and the notes on pages 31 to 52 form an integral part of these financial statements.

Notes to the Financial Statements

for the financial year ended 31 March, 2003

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 the subsidiary companies are set out in note 14 to the financial statements.

The number of employees in the Group and in the Company at the end of the financial year is 471 (2002: 465) and 21 (2002: 12) respectively.

The Company is a limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Kuala Lumpur Stock Exchange.

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 expose 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 objectives of the Group is to create value for its shareholder 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 in cash deposits with financial institutions and receivables, which consist mainly of bills receivables. For sales made on deferred credit terms, adequate assessment on 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 deposit with financial institutions to be unlikely.

(iii) Market risk

The Group's exposure to market risk is minimal.

(iv) Foreign currency risk

The Group's exposure to foreign currency risk is minimal as the majority of the foreign currency transactions entered into by subsidiaries are denominated in United States Dollar which is pegged to 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 adequate amount of committed banking facilities and aims to maintain sufficient liquidity and cash flows at all times.

Notes to the Financial Statements

for the financial year ended 31 March, 2003

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

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.

Property, plant and equipment

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

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 leasehold land and short term leasehold land are amortised in equal instalments over the periods of the respective leases ranging from 50 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
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, 2003

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

The land, buildings, plant and machinery have not been revalued since the dates of the revaluation exercises as stated in note 13. The Directors have adopted the transitional provisions in respect of assets carried at previously revalued amounts of International Accounting Standards standard no. 16 (Revised): Property, Plant and Equipment as allowed for by the Malaysian Accounting Standards Board ("MASB") 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 current depreciation policy.

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.

Surpluses arising on revaluation are credited to 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.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognized in the income statement unless it reverses the impairment loss on a revalued asset, in which case, it is taken to revaluation surplus.

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.

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 and 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.

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.

Notes

to the Financial Statements

for the financial year ended 31 March, 2003

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

Goodwill on consolidation

Goodwill on consolidation represents the excess of the purchase price over the Group's share of fair values of the net assets of the subsidiary companies at the date of acquisition. Goodwill is retained in the consolidated balance sheet at cost unless in the opinion of the Directors there is a permanent diminution, in which case an allowance is made.

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. 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.

Receivables

Known bad debts are written off and specific allowance is made for any considered to be doubtful of collection.

Retirement benefits

The Group operates an unfunded final salary defined benefit plan for its employees. The pension accounting cost is assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plan every three years. The pension obligation is measured at the present value of estimated cash outflows using assumed interest rates of 7% per annum. Actuarial gains and losses are amortised over the period of five years on the straight line basis.

Foreign currency translations

Foreign currency transactions are converted into Ringgit Malaysia at rates of exchange prevailing at the transaction dates. Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at the exchange rates prevailing at that date. All exchange differences are included in the income statement.

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

Foreign currency	31.3.2003	31.3.2002
	RM	RM
1 United States Dollar	3.7965	3.7994
1 Australian Dollar	2.2360	2.0060
1 Singapore Dollar	2.1310	2.0820
1 Euro Dollar	3.7570	3.3430
100 Renminbi	45.83	45.99

Deferred taxation

Provision is made using the liability method for taxation deferred in respect of all timing differences except where it is considered reasonably probable that the tax effects of such deferrals will continue in the foreseeable future.

Deferred tax assets are not recognised unless there is a reasonable expectation of their realisation.

Notes to the Financial Statements

for the financial year ended 31 March, 2003

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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.

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.

Financial Instruments

(a) 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.

(b) Fair value estimation for disclosure purposes

The fair values of financial liabilities with maturity of more than one year and fixed interest rates are estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments. The carrying amounts of financial liabilities with maturity of more than one year and floating interest rates are assumed to approximate their fair values.

The face values for financial assets and liabilities with maturity of less than one year are assumed to approximate their fair values.

Comparatives

Where appropriate, comparative figures have been extended to conform with the additional disclosure requirements of the applicable approved new accounting standards issued by the Malaysian Accounting Standards Board that become operative for these financial statements.

For financial instruments, comparatives are not disclosed upon first application of MASB Standard 24, "Financial Instruments: Disclosure and Presentation", as permitted by the standard.

Notes

to the Financial Statements

for the financial year ended 31 March, 2003

5. REVENUE

	Group	
	2003 RM'000	2002 RM'000
Sales of goods	25,264	23,584
Investment holding	1,777	1,883
Others	347	193
	27,388	25,660

	Company	
	2003 RM'000	2002 RM'000
Interest income	1,740	1,807
Management fees	278	278
Rental income	153	199
Dividend income	37	23
	2,208	2,307

6. (LOSS)/PROFIT FROM OPERATIONS

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

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Depreciation of property, plant and equipment	803	852	93	97
Directors' remuneration:				
Fees receivable by:				
Directors of the Company				
– Executive Directors	0	20	0	20
– Non-executive Directors	42	40	42	38
Auditors' remuneration	38	38	10	10
Rental of land, office equipment and buildings	62	82	0	0
Inventory written off	0	770	0	0
Allowance for doubtful debts	0	15	0	0
Provision for retirement benefits	43	19	4	3
Allowance for diminution in value of investments	0	0	0	0
Goodwill on consolidation written off	926	0	0	0
Loss on foreign exchange – realised	9	12	0	0
Staff costs	8,664	7,574	1,011	723

Notes to the Financial Statements

for the financial year ended 31 March, 2003

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

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

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Gross dividends from:				
– shares quoted in Malaysia	35	22	36	22
– shares quoted outside Malaysia	1	1	1	1
Interest income	1,745	1,680	1,740	1,807
Rental income	163	215	153	199
Profit on disposal of property, plant and equipment	4	202	0	145
Profit on disposal of investment	11	0	11	0
Bad debts recovered	165	1,801	0	0
Gain on foreign exchange – realised	18	8	0	0
– unrealised	2	0	0	0

Included in staff costs are Executive Directors' emoluments, other than fees, amounting to RM381,920 (2002: RM349,440) for the Group and Company.

The estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash amounted to RM4,800 (2002: RM7,200) for the Group and the Company.

7. FINANCE COST

Group

	2003 RM'000	2002 RM'000
Interest on bank overdrafts	81	123
Interest on short term borrowing	44	16
Other interest expense	0	4
	125	143

8. TAXATION

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Taxation based on profit for the financial year:				
Malaysian income tax	215	347	204	323
Taxation underprovided in prior financial years	30	18	39	18
	245	365	243	341

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

The Group's taxation charge for the financial year is due to taxation charges incurred by the Company, which cannot be offset by losses in other subsidiaries due to the absence of group relief in Malaysia.

Notes

to the Financial Statements

for the financial year ended 31 March, 2003

8. TAXATION (CONT'D.)

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	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Tax losses carried forward	24,253	21,985	641	641
Unabsorbed capital allowances	15,365	18,734	528	510
Unabsorbed reinvestment allowances	1,221	1,004	0	0

9. 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.

	2003	2002
Loss for the financial year (RM'000)	(2,629)	(1,486)
Weighted average number of ordinary shares in issue ('000)	123,119	123,119
Basic loss per share (Sen)	(2.1)	(1.2)

The weighted average number of ordinary shares in issue for the financial year ended 31 March 2002 has been adjusted for the effects of the bonus shares issued during the year for comparative purposes.

Diluted loss per share

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

10. SHARE CAPITAL

Group and Company

	2003 RM'000	2002 RM'000
Authorised:		
200,000,000 ordinary shares of RM0.50 each	100,000	100,000
Issued and fully paid:		
108,634,560 ordinary shares of RM0.50 each		
At 1 April	54,317	54,317
Bonus issue appropriated from retained profits	10,863	0
At 31 March	65,180	54,317

During the financial year, the issued share capital of the Company was increased from RM54,317,280 to RM65,180,736 by way of a bonus issue of 21,726,912 ordinary shares of RM0.50 each on the basis of one share for every five ordinary shares of RM0.50 each held.

Notes to the Financial Statements

for the financial year ended 31 March, 2003

11. RESERVES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Non-distributable reserves				
Exchange fluctuation reserve	288	288	0	0
Share premium account	13,296	13,296	13,296	13,296
Property revaluation surplus	812	812	0	0
Capital reserve	824	824	1,800	1,800
	15,220	15,220	15,096	15,096
Distributable reserve				
Retained profit	1,420	14,912	6,575	17,115
At 31 March	16,640	30,132	21,671	32,211

The Group's capital reserve relates mainly to the capitalisation of profits for future business expansion.

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

The Company has, subject to confirmation by the Inland Revenue Board, sufficient tax exempt income and tax credits under the Promotion of Investments Act, 1986 and the Income Tax Act, 1967 respectively to frank the payment of net dividends out of all its retained profit as at 31 March 2003.

12. RETIREMENT BENEFITS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
At 1 April	925	916	37	34
Provision made during the financial year	43	19	4	3
	968	935	41	37
Payments made during the financial year	(17)	(10)	(4)	0
At 31 March	951	925	37	37
Current	23	10	0	0
Non-current	928	915	37	37
At 31 March	951	925	37	37

Notes

to the Financial Statements

for the financial year ended 31 March, 2003

13. 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	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
2003									
Cost or valuation									
At 1 April 2002	13,231	9,518	1,555	19,675	85	2,786	837	397	48,084
Additions	0	0	0	158	0	71	0	0	229
Disposals	0	0	0	(20)	0	0	0	0	(20)
At 31 March 2003	13,231	9,518	1,555	19,813	85	2,857	837	397	48,293
Accumulated depreciation									
At 1 April 2002	1,002	2,633	615	18,777	74	2,434	550	393	26,478
Charge for the financial year	128	190	31	272	2	91	86	3	803
Disposals	0	0	0	(14)	0	0	0	0	(14)
At 31 March 2003	1,130	2,823	646	19,035	76	2,525	636	396	27,267
Net book value									
31 March 2003	12,101	6,695	909	778	9	332	201	1	21,026
At 31 March 2002									
Cost or valuation	13,231	9,518	1,555	19,675	85	2,786	837	397	48,084
Accumulated depreciation	(1,002)	(2,633)	(615)	(18,777)	(74)	(2,434)	(550)	(393)	(26,478)
Net book value	12,229	6,885	940	898	11	352	287	4	21,606

The Group's freehold and leasehold land comprise:

2003	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
Cost or valuation						
At 1 April 2002/31 March 2003	4,854	737	2,284	875	4,481	13,231
Accumulated depreciation						
At 1 April 2002	0	0	214	186	602	1,002
Charge for the financial year	0	0	27	10	91	128
At 31 March 2003	0	0	241	196	693	1,130
Net book value						
31 March 2003	4,854	737	2,043	679	3,788	12,101
At 31 March 2002						
Cost or valuation	4,854	737	2,284	875	4,481	13,231
Accumulated depreciation	0	0	(214)	(186)	(602)	(1,002)
Net book value	4,854	737	2,070	689	3,879	12,229

Notes to the Financial Statements

for the financial year ended 31 March, 2003

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

Company

2003	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
Cost or valuation						
At 1 April 2002/31 March 2003	5,660	1,626	93	493	167	8,039
Accumulated depreciation						
At 1 April 2002	185	402	40	425	69	1,121
Charge for the financial year	10	32	2	16	33	93
At 31 March 2003	195	434	42	441	102	1,214
Net book value						
31 March 2003	5,465	1,192	51	52	65	6,825
At 31 March 2002						
Cost or valuation	5,660	1,626	93	493	167	8,039
Accumulated depreciation	(185)	(402)	(40)	(425)	(69)	(1,121)
Net book value	5,475	1,224	53	68	98	6,918

The Company's freehold and leasehold land comprise:

2003	Freehold land, at cost RM'000	Freehold land, at valuation RM'000	Long term leasehold land, at valuation RM'000	Total RM'000
Cost or valuation				
At 1 April 2002/31 March 2003	4,718	67	875	5,660
Accumulated depreciation				
At 1 April 2002	0	0	185	185
Charge for the financial year	0	0	10	10
At 31 March 2003	0	0	195	195
Net book value				
31 March 2003	4,718	67	680	5,465
At 31 March 2002				
Cost	4,718	67	875	5,660
Accumulated depreciation	0	0	(185)	(185)
Net book value	4,718	67	690	5,475

The long term leasehold land and buildings with net book values of RM6,416,847 (2002: RM6,575,485) of a subsidiary company have been pledged as security for bank overdraft facilities.

Notes

to the Financial Statements

for the financial year ended 31 March, 2003

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

Valuations

Valuations on an existing use basis carried out on certain property, plant and equipment of the Group and 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 provisions in respect of assets carried at previously revalued amounts of International Accounting Standards standard no. 16 (Revised): Property, Plant and Equipment as allowed for by the Malaysian Accounting Standards Board 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 current depreciation policy.

The tax effect in connection with the surplus arising on revaluation of certain freehold and leasehold land, buildings, plant and machinery is not disclosed as there is no intention to dispose of these properties in the foreseeable future.

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	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Freehold land	216	216	59	59
Long term leasehold land	55	56	55	56
Buildings	643	667	47	49
	914	939	161	164

14. SUBSIDIARY COMPANIES

Company

	2003 RM'000	2002 RM'000
Unquoted shares, at cost	23,025	23,025
Allowance for diminution in value of shares	(6,630)	(6,630)
	16,395	16,395

Notes to the Financial Statements

for the financial year ended 31 March, 2003

14. SUBSIDIARY COMPANIES (CONT'D.)

The subsidiary companies are:

Name of company	Place of incorporation	Holding in equity				Principal activities
		By the Company		By subsidiary companies		
		2003 %	2002 %	2003 %	2002 %	
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	87.8	Factoring of debts
Maritime Credits (Malaysia) Sdn. Bhd. *	Malaysia	Nil	Nil	100	100	Granting of commercial credits
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

Notes to the Financial Statements

for the financial year ended 31 March, 2003

15. ASSOCIATED COMPANIES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 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	716	617	0	0
Share of property revaluation surplus	713	713	0	0
	2,101	2,002	672	672
Represented by:				
Group's share of net tangible assets	2,402	2,303		
Discount on acquisition	(301)	(301)		
	2,101	2,002		

The associated companies are:

Name of company	Place of incorporation	Holding in equity		Principal activities
		2003 %	2002 %	
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

16. INVESTMENTS

Group

	2003		2002	
	Cost RM'000	Market value RM'000	Cost RM'000	Market value RM'000
Quoted shares in corporations, at cost				
– Malaysia	449	467	512	571
– Overseas	36	37	36	52
Total investment in shares	485	504	548	623
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	817		880	
Investment in club membership	25		25	
	842		905	

Notes to the Financial Statements

for the financial year ended 31 March, 2003

16. INVESTMENTS (CONT'D.)

Company

Quoted shares in corporations, at cost

- Malaysia
- Overseas

Unquoted shares in corporations, at cost
Allowance for diminution in value of shares

	2003		2002	
	Cost RM'000	Market value RM'000	Cost RM'000	Market value RM'000
Quoted shares in corporations, at cost				
- Malaysia	449	467	512	571
- Overseas	36	37	36	52
	485	504	548	623
Unquoted shares in corporations, at cost	50		50	
Allowance for diminution in value of shares	(50)		(50)	
	0		0	
	485		548	

17. INVENTORIES

Group

At cost:

- Raw materials
- Work in progress
- Finished products
- Consumable goods

At net realisable value:

- Finished products

2003
RM'000

2002
RM'000

Raw materials	1,611	2,117
Work in progress	2,535	3,514
Finished products	713	1,290
Consumable goods	327	1,122
At net realisable value:		
Finished products	142	0
	5,328	8,043

18. TRADE RECEIVABLES

Group

- Trade receivables
- Allowance for doubtful debts

2003
RM'000

2002
RM'000

Trade receivables	860	1,714
Allowance for doubtful debts	(632)	(633)
	228	1,081

All trade receivables are denominated in Ringgit Malaysia.

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 provided for collection losses is inherent in the Group's trade and bills receivables.

The credit terms extended to trade receivables ranged from payment in advance to 90 days.

Notes to the Financial Statements

for the financial year ended 31 March, 2003

19. BILLS RECEIVABLE

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

United States Dollar
Australian Dollar

2003
RM'000

1,512
212

1,724

20. INVESTMENT IN FINANCE LEASES

Group

Amounts due:

Within the next twelve months
Unearned lease income

Portion not financed

Allowance for doubtful debts

2003
RM'000

2002
RM'000

229 231
(14) (14)

215 217
0 0

215 217
(215) (217)

0 0

21. HIRE-PURCHASE RECEIVABLES

Group

Amounts due:

Within the next twelve months
Unearned interest income

Allowance for doubtful debts

2003
RM'000

2002
RM'000

2,312 2,353
(702) (698)

1,610 1,655
(1,610) (1,655)

0 0

22. FACTORING RECEIVABLES

Group

Amounts financed

Allowance for doubtful debts

2003
RM'000

2002
RM'000

805 921
(802) (918)

3 3

Notes to the Financial Statements

for the financial year ended 31 March, 2003

23. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Other receivables	135	161	4	17
Deposits	124	122	62	62
Prepayments	154	89	0	3
	413	372	66	82
Allowance for doubtful debts	(30)	(30)	0	0
	383	342	66	82

24. AMOUNTS DUE FROM SUBSIDIARY COMPANIES

Company	2003	2002
	RM'000	RM'000
Amounts due from subsidiary companies	7,974	7,902
Allowance for doubtful debts	(815)	(815)
	7,159	7,087

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. Included in the amounts due from subsidiary companies is an advance to a subsidiary company, Maicador Sdn. Bhd., amounting to RM3,205,844 (2002: RM3,182,034) where interest is charged at the rate of 4% (2002: 4%) per annum.

25. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Fixed deposits with licensed banks	59,535	59,197	55,506	55,292
Cash and bank balances	1,130	580	325	205
	60,665	59,777	55,831	55,497

The effective interest rate as at balance sheet date of fixed deposits with licensed banks for the Group and Company ranged between 2.6% to 4.0% (2002: 2.6% to 3.2%) per annum.

The maturity of deposits of the Group and Company ranged between 30 to 365 days (2002: 30 to 90 days).

Deposits, cash and bank balances outstanding as at financial year end are all denominated in Ringgit Malaysia.

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to the Financial Statements

for the financial year ended 31 March, 2003

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade payables	902	1,816	0	0
Other payables	647	465	23	41
Accruals	653	575	103	86
	2,202	2,856	126	127

The credit terms extended by trade and other payables ranged from 7 to 60 days.

The currency exposure profile of trade payables is as follows:

	2003 RM'000
Ringgit Malaysia	872
Singapore Dollar	30
	902

27. SHORT TERM BORROWING

Group

The short term borrowing is unsecured. The interest rates for the financial year ranged between 4.38% and 4.43% (2002: 4.18% and 4.59%) per annum.

The effective interest rate as at the financial year end is 4.38% per annum.

The short term borrowing is denominated in Ringgit Malaysia.

28. BANK OVERDRAFTS

Group

	2003 RM'000	2002 RM'000
Secured	2,038	2,028
Unsecured	146	265
	2,184	2,293

The secured portion of the bank overdrafts are secured by fixed charges over certain property, plant and equipment and floating charges over current assets of certain subsidiary companies (note 13).

The interest rates for the financial year ranged between 4.20% and 7.15% (2002: 4.20% and 8.05%) per annum.

The effective interest rates as at the financial year end ranged between 4.2% and 7.15% per annum.

The bank overdrafts are denominated in Ringgit Malaysia.

Notes to the Financial Statements

for the financial year ended 31 March, 2003

29. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Fixed deposits with licensed banks	59,535	59,197	55,506	55,292
Cash and bank balances	1,130	580	325	205
	60,665	59,777	55,831	55,497
Bank overdrafts (note 28)	(2,184)	(2,293)	0	0
	58,481	57,484	55,831	55,497

30. CONTINGENT LIABILITIES

Unsecured:

Third party guarantees as security for banking and loan facilities granted to third party companies/certain subsidiary companies

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
	0	0	0	14,525

31. SEGMENTAL INFORMATION

Group

Primary reporting format – Business segments

	2003				2002			
	Manufacturing of wood products RM'000	Investment holding RM'000	Others RM'000	Total RM'000	Manufacturing of wood products RM'000	Investment holding RM'000	Others RM'000	Total RM'000
Revenue								
Total revenue	25,264	2,208	347	27,819	23,257	2,633	194	26,084
Inter-segment revenue	0	(431)	0	(431)	0	(424)	0	(424)
External revenue	25,264	1,777	347	27,388	23,257	2,209	194	25,660

Notes

to the Financial Statements

for the financial year ended 31 March, 2003

31. SEGMENTAL INFORMATION (CONT'D.)

Group

Primary reporting format – Business segments (Cont'd.)

	2003				2002			
	Manufacturing		Others	Total	Manufacturing		Others	Total
	of wood products	Investment holding			of wood products	Investment holding		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Results								
Segment results (external)	(3,096)	478	(2)	(2,620)	(3,149)	779	129	(2,241)
Unallocated expense				(926)				0
Loss from operations				(3,546)				(2,241)
Finance cost				(125)				(143)
Share of results of associated companies				149				(30)
Loss from ordinary activities before taxation				(3,522)				(2,414)
Taxation				(245)				(365)
Share of tax of associated companies				(50)				(10)
Loss from ordinary activities after taxation				(3,817)				(2,789)
Minority interests				1,188				1,303
Net loss for the financial year				(2,629)				(1,486)

Notes to the Financial Statements

for the financial year ended 31 March, 2003

31. SEGMENTAL INFORMATION (CONT'D.)

Group

Primary reporting format – Business segments (Cont'd.)

	2003				2002			
	Manufacturing		Others	Total	Manufacturing		Others	Total
	of wood products	Investment holding			of wood products	Investment holding		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Other information								
Segment assets	19,818	66,144	6,338	92,300	23,878	65,960	6,202	96,040
Unallocated asset				3				926
Total assets				92,303				96,966
Segment liabilities	6,039	25	273	6,337	6,781	192	109	7,082
Unallocated liabilities				446				546
Total liabilities				6,783				7,628
Capital expenditure	229	0	0	229	220	0	0	220
Depreciation	607	97	99	803	647	102	103	852
Non cash expenses other than depreciation:								
Provision for retirement benefits	39	4	0	43	16	3	0	19
Inventory written off	0	0	0	0	770	0	0	770
Allowance for doubtful debts	0	0	0	0	0	0	15	15
Share of the net profit or loss of associates accounted for under equity method	0	149	0	149	0	(30)	0	(30)

Intersegment revenue represents management fees chargeable to subsidiary companies, interest income and rental income (note 6). Unallocated expense for the current 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.

Capital expenditure comprises the additions to property, plant and equipment (note 13).

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.

Notes to the Financial Statements

for the financial year ended 31 March, 2003

32. 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

Interest income from a subsidiary company:

- Maicador Sdn. Bhd.

Rental income from a subsidiary company:

- Maicador Sdn. Bhd.

Management fees from subsidiary companies:

- Consolidated Leasing (M) Sdn. Bhd.
- Maicador Sdn. Bhd.
- Maica Wood Industries Sdn. Bhd.

	2003 RM'000	2002 RM'000
Interest income from a subsidiary company:	127	127
Rental income from a subsidiary company:	26	21
Management fees from subsidiary companies:	36	36
	120	120
	120	120

Statement by Directors

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

We, Lim Jian Hoo and Thor Poh Seng, 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 52 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 2003 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 applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 22 July 2003.

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 52 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 at Penang on 22 July 2003.

Before me

Chai Choon Kiat

Commissioner for Oaths

Analysis of Shareholdings

as at 4 August, 2003

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 shares	40	1,595	0.00
100 to 1,000 shares	436	294,732	0.23
1,001 to 10,000 shares	4,393	13,127,013	10.07
10,001 to 100,000 shares	665	15,762,461	12.09
100,001 to less than 5% of issued shares	57	66,208,542	50.79
5% and above of issued shares	2	34,967,129	26.82
	5,593	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 Shareholdings
1. Tan Sri Dato' Tan Hua Choon	22,641,985	17.37
2. Permodalan Nasional Berhad	12,325,144	9.45
3. Low Cheng Peng	6,156,000	4.72
4. Wong Chee Choon	6,084,000	4.67
5. Ong Poh Geok	4,740,000	3.64
6. Lim Eng Huat	4,719,000	3.62
7. Thong & Kay Hian Nominees (Asing) Sdn Bhd Qualifier: UOB Kay Hian Pte Ltd for Millennium Securities Pte Ltd	3,992,400	3.06
8. F.I.T Nominees (Asing) Sdn Bhd Qualifier: Tan Lay Choo - 025	3,919,200	3.01
9. M.I.T Nominees (Tempatan) Sdn Bhd Qualifier: Ong Huey Peng - 025	2,978,348	2.28
10. Chew Boon Seng	2,943,671	2.26
11. Ong Huey Peng	2,910,000	2.23
12. Lim Suh Hua @ Lim Yak Hua	2,798,251	2.15
13. Ong Har Hong	2,718,000	2.08
14. Chew Boon Seng	2,712,000	2.08
15. Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Pledged securities account for Dato' Lim Suh Hua @ Lim Yak Hua (30-00062-000)	2,394,000	1.84

Analysis of Shareholdings

as at 4 August, 2003

C. THIRTY LARGEST REGISTERED SHAREHOLDERS (CONT'D.)

(As per the Record of Depositors of the Company)

Name of Shareholders	No. of Shares	% of Shareholdings
16. Lim Siew Sooi	2,352,000	1.80
17. Cheong Siew Yoong	2,034,000	1.56
18. Ong Wee Lih	1,392,000	1.07
19. Tan Lay Choo	1,062,000	0.81
20. Lim Siak Hwah	1,060,800	0.81
21. Hussein Noordin Sdn Berhad	695,250	0.53
22. Loh Boh Chong & Sons Sdn Berhad	677,731	0.52
23. Wong Hok Yim	552,000	0.42
24. Lim Sew Hua @ Lim Seow Hua	444,000	0.34
25. Osamu Tateishi	372,000	0.29
26. Syarikat Jeragan (Holdings) Sdn Bhd	354,450	0.27
27. Dominic Lim Tse Lyn	316,080	0.24
28. MIDF Sisma Holdings Sdn Bhd	300,000	0.23
29. Eng Nominees (Asing) Sdn Bhd Qualifier: Kim Eng Ong Asia Securities Pte Ltd for Chan Chue Meng	264,000	0.20
30. Lim Lye Ho	252,000	0.19

D. SUBSTANTIAL SHAREHOLDERS

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

Name of Shareholders	No. of Shares		Total	% of Shareholdings
	Direct Interest	Deemed Interest		
1. Tan Sri Dato' Tan Hua Choon	22,641,985	–	22,641,985	17.37
2. Permodalan Nasional Berhad	12,325,144	–	12,325,144	9.45
3. Yayasan Pelaburan Bumiputra	–	*12,325,144	12,325,144	9.45

* 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. DIRECTOR'S SHAREHOLDING

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

Name of Director	No. of Shares		Total	% of Shareholding
	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, 2003

Date of Acquisition/ Revaluation	Location	Description	Existing Use	Tenure/ Approximate Age of Building	Area (Sq. metres)	Net Book Value as at 31.3.2003 (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/ 34 years	5,052	762,000
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/ 27 years	13,575	1,675,000
30.11.1992 (Acquisition)	68-5-1, Maica Court 68, Jalan Cantonment Pulau Pinang	Residential Apartment	Residential	Freehold/Strata 18 years	255	247,000
31.03.1983 (Revaluation)	824, Taman Seluang Kulim, Kedah	Land & Residential Building	Hostel	Freehold/ 22 years	418	119,000
31.03.1986 (Acquisition)	17, Jalan Anson Pulau Pinang	Land & Commercial Building	Vacant	Freehold/ 63 years	2,518	4,191,000
31.03.1990 (Acquisition)	9 Jalan Zainal Abidin Pulau Pinang	Land & Commercial Building	Office	Freehold/ 15 years	362	1,470,000
31.03.1987 (Acquisition)	Plot 23 Kulim Industrial Estate Kulim, Kedah	Land & Industrial Building	Factory	Leasehold 39 years 1981 to 2041/ 22 years	59,934	4,493,000
31.08.1995 (Acquisition)	Plot 44 Kulim Industrial Estate Kulim, Kedah	Land & Industrial Building	Factory	Leasehold 80 years 1983 to 2082/ 3 years	14,164	2,347,000
31.03.1987 (Revaluation)	Batu 6, Jalan Kuala Kedah Kuala Kedah, Kedah	Land & Industrial Building	Factory	Freehold/ 55 years	3,824	412,000
15.12.1981 (Revaluation)	15 Jalan Zainal Abidin Pulau Pinang	Land & Commercial Building	Office	Freehold/ 25 years	203	489,000
19.09.1990 (Acquisition)	Lot 946 Mukim 11 Balik Pulau Pulau Pinang	Land	Vacant	Freehold	5,204	137,000
31.03.1998 (Acquisition)	Shantou, China	Land	Vacant	Leasehold 43 years 1995 to 2045	26,184	3,363,000
						19,705,000

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 _____

_____ NRIC No. _____
(full name in block letters)

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 to vote for me/us on my/our behalf, at the Thirty-Fourth Annual General Meeting ("34th AGM") of the shareholders of the Company to be held at The Pan Pacific Hotel Kuala Lumpur, Bunga Kenanga Room, Level 3, Jalan Putra, 50350 Kuala Lumpur, Malaysia on Tuesday, 30 September, 2003 at 11.00 a.m. or any adjournment thereof.

The proxy is to vote on the Resolutions set out in the notice of the 34th 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. 4		
Ordinary Resolution No. 5		

No. of shares held	
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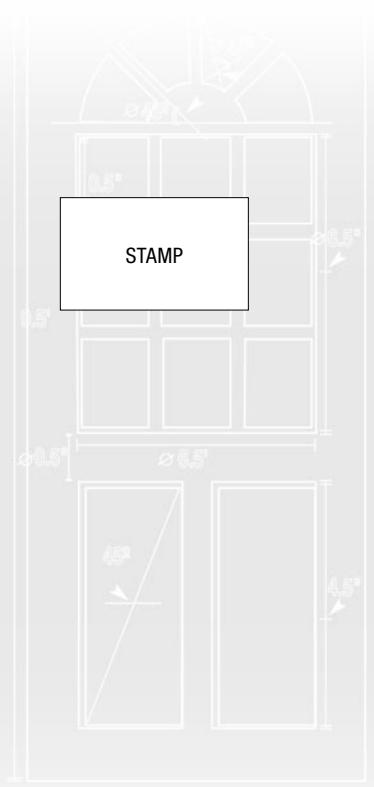
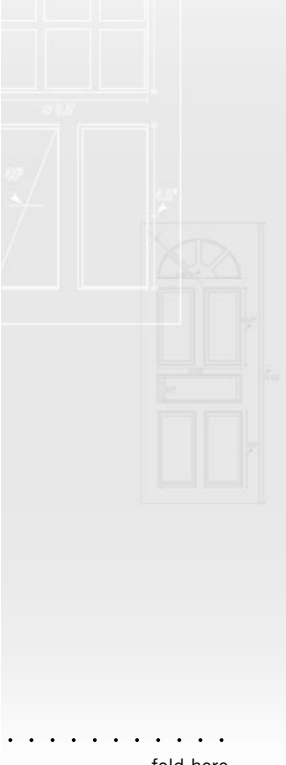
NOTES:

1. A proxy may but need not be a member of the Company and the provisions 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.

 Signature/Seal

Signed this _____ day of _____, 2003

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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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