

A photograph of a wooden door with a traditional panel design, showing vertical and horizontal lines forming a grid of rectangular panels. The wood has a warm, reddish-brown tone.

**Malaysia**  
**Aica**  
**Berhad**

(8235-K)

a n n u a l  
r e p o r t 2000

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

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# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Thirty First Annual General Meeting of the shareholders of the Company will be held at the Raya Room, Mezzanine Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Wednesday, 6 September, 2000 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 Accounts of the Group and the Company for the year ended 31 March, 2000 and the Auditors' Report thereon. | <b>Ordinary Resolution 1</b>    |
| 2. To approve the payment of a first and final dividend of 2% gross per share less 28% Malaysian income tax in respect of the year ended 31 March, 2000.                | <b>Ordinary Resolution 2</b>    |
| 3. To approve the payment of Directors' fees in respect of the year ended 31 March, 2000.                                                                               | <b>Ordinary Resolution 3</b>    |
| 4. To re-elect Directors retiring in accordance with Article 101 of the Company's Articles of Association :                                                             |                                 |
| (a) YBhg Dato' Tan Hua Choon                                                                                                                                            | <b>Ordinary Resolution 4(a)</b> |
| (b) Mr Ong Euwan George                                                                                                                                                 | <b>Ordinary Resolution 4(b)</b> |
| 5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.                                     | <b>Ordinary Resolution 5</b>    |
| 6. To transact any other ordinary business of the Company for which due notice has been given.                                                                          | <b>Ordinary Resolution 6</b>    |

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT DATES

**NOTICE IS HEREBY GIVEN THAT** subject to the approval of the shareholders at the Annual General Meeting, a first and final dividend of 2% gross per share less 28% Malaysian income tax in respect of the financial year ended 31 March, 2000 will be paid on 30 November, 2000 to the Depositors registered in the Record of Depositors as at 10 November, 2000.

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

- Shares transferred into the Depositors' Securities Account before 12.30 p.m. on 10 November, 2000 in respect of ordinary transfers ; and
- Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

**Lim Lai Sam**  
Secretary

Kuala Lumpur  
18 August, 2000

## NOTES :

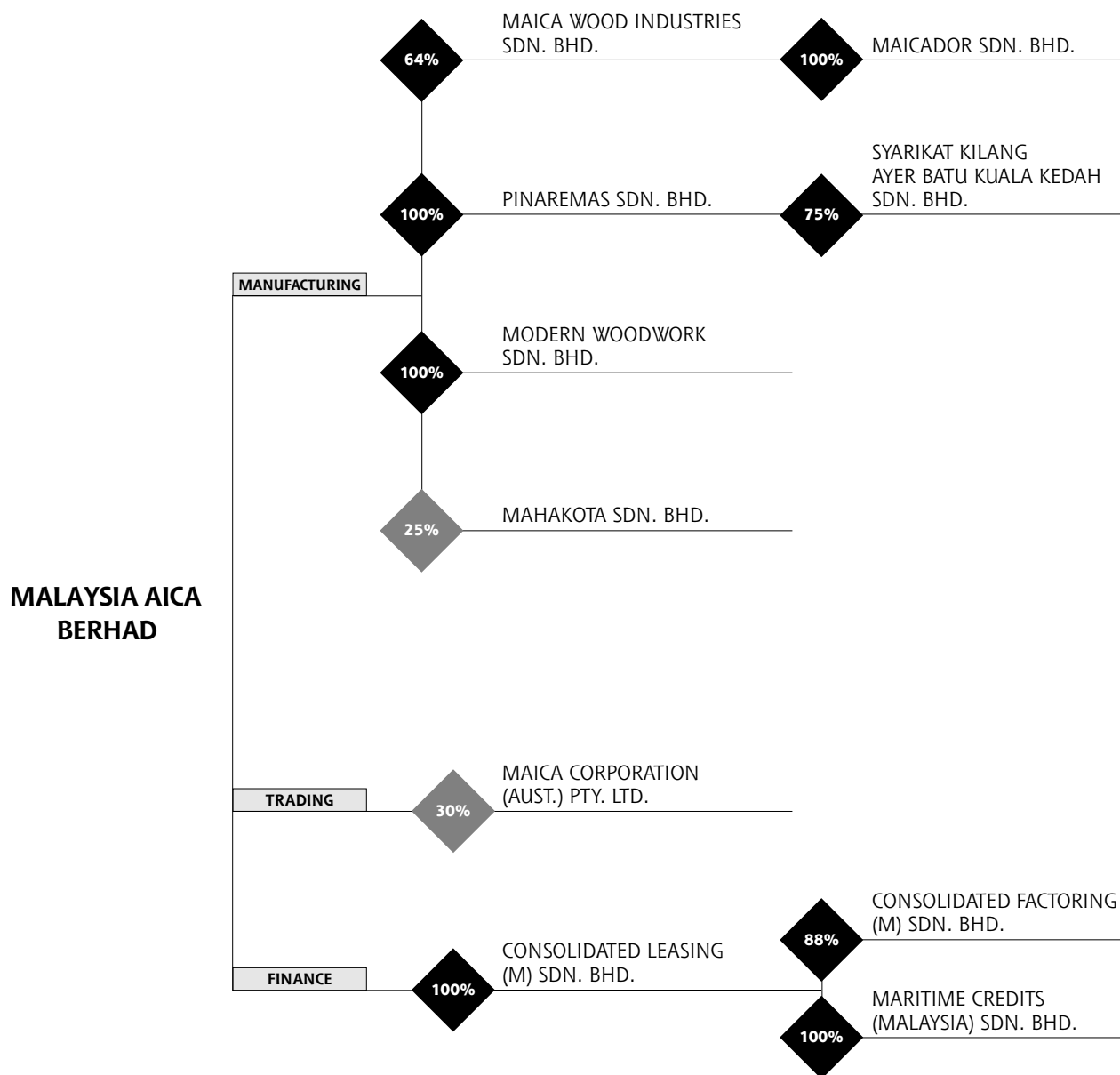
- A proxy need not be a member of the Company, but unless he is, then by provision of Section 149(1)(b) of the Companies Act, 1965, he must be an advocate, an approved company auditor, or a person approved by the Registrar of Companies in a particular case unless the person named as proxy is the Chairman of the Meeting.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his / her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
- The Proxy Form must be deposited with the Company's Share Registrars, Messrs PFA Registration Services Sdn Bhd, 1301, Level 13, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, at least 48 hours before the time appointed for holding the meeting or any adjournment thereof.

# Group Structure

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

as at 31 March 2000



- ◆ Subsidiary
- ◆ Associated Company

**Note :** Companies which have not commenced active operations are excluded

# Corporate Information

**BOARD OF DIRECTORS**

YBhg Dato' Tan Hua Choon – (Chairman)  
YBhg Dato' Yahya Bin Haji Talib  
Lim Jian Hoo – (Executive Director)  
Thor Poh Seng  
Hamzah Bin Dato' Dr Mohd Salleh  
Ong Euwan George

**AUDIT COMMITTEE**

YBhg Dato' Yahya Bin Haji Talib (Chairman) – Independent Non-Executive Director  
Thor Poh Seng – Independent Non-Executive Director  
Hamzah Bin Dato' Dr Mohd Salleh – Non-Executive Director

**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  
Ban Hin Lee Bank Berhad

**REGISTRARS**

PFA Registration Services Sdn Bhd  
1301, Level 13  
Uptown 1, No. 1  
Jalan SS21/58  
Damansara Uptown  
47400 Petaling Jaya  
Selangor Darul Ehsan  
Tel : (03) 7725 4888  
Fax : (03) 7722 2311

**AUDITORS**

Messrs PricewaterhouseCoopers  
Public Accountants

**STOCK EXCHANGE LISTING**

The Kuala Lumpur Stock Exchange  
Main Board

The Malaysia Aica Berhad ("MAICA") Audit Committee was established by the Company's Board of Directors on 19 January, 1994 with the following terms of reference:-

## **TERMS OF REFERENCE**

### **Membership**

The MAICA Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than three members, a majority of whom shall be independent non-executive directors. The Chairman of the Audit Committee shall be an independent non-executive director appointed by the Board.

The current composition of the MAICA Audit Committee is as follows :

- (i) YBhg Dato' Yahya Bin Haji Talib (Chairman) – Independent Non-Executive Director
- (ii) Mr Thor Poh Seng – Independent Non-Executive Director
- (iii) En Hamzah Bin Dato' Dr Mohd Salleh – Non-Executive Director

### **Meetings**

Meetings shall be held not less than two times a year. In the absence of the Chairman, the other members of the MAICA Audit Committee present shall appoint a Chairman from any of them who shall be the Chairman for that meeting. Two members present in person shall be a quorum.

### **Duties**

The duties of the MAICA Audit Committee shall be :-

- a. To review audit plans with the internal and external auditors and to ensure co-ordination between the auditors ;
- b. To review audit reports with the auditors ;
- c. To review the evaluation of the system of internal accounting control with the auditors ;
- d. To review the assistance given by the Company's and the Group's officers to the auditors ;
- e. To review the financial statements of the Company and the Group and thereafter to submit them to the Board;
- f. To review any related party transaction within the Company and the Group ; and
- g. Any such other functions as may be agreed to by the Committee and the Board.

# Analysis of Shareholdings

as at 14 July 2000

## 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 54,317,280.00 (108,634,560 ordinary shares of RM0.50 each)
Voting Rights	:	One vote for each ordinary share held

## B. DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholdings
1 - 499	207	3.43	59,856	0.05
500 - 5,000	4,738	78.55	9,859,535	9.07
5,001 - 10,000	554	9.18	4,354,032	4.01
10,001 - 100,000	479	7.94	12,241,820	11.27
100,001 - 1,000,000	38	0.63	10,478,427	9.65
Above 1,000,000	16	0.27	71,640,890	65.95
	6,032	100.00	108,634,560	100.00

## C. TWENTY LARGEST REGISTERED SHAREHOLDERS

Names of Shareholders	No. of Shares	% of Shareholdings
1. Dato' Tan Hua Choon	18,868,321	17.37
2. Permodalan Nasional Berhad	10,270,953	9.45
3. Low Cheng Peng	5,135,600	4.73
4. Wong Chee Choon	5,067,000	4.66
5. Chew Boon Seng	4,713,059	4.34
6. Lim Eng Huat	3,967,000	3.65
7. Thong & Kay Hian Nominees (Asing) Sdn Bhd Qualifier : Millennium Securities Pte Ltd	3,327,000	3.06
8. F.I.T. Nominees (Asing) Sdn Bhd Qualifier : Tan Lay Choo – 025	3,266,000	3.01
9. Ong Poh Geok	2,877,000	2.65
10. M.I.T. Nominees (Tempatan) Sdn Bhd Qualifier : Ong Huey Peng – 025	2,481,957	2.28
11. Ong Huey Peng	2,429,000	2.24
12. HLB Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Dato' Lim Suh Hua @ Lim Yak Hua (PNG5584-6)	2,330,000	2.16
13. Ong Har Hong	2,258,000	2.08
14. Malaysia Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Dato' Lim Suh Hua @ Lim Yak Hua (30-00062-000)	1,995,000	1.84
15. Cheong Siew Yoong	1,585,000	1.46
16. Brian Francis Hill	1,070,000	0.98
17. Ong Wee Lieh	899,000	0.83
18. Tan Lay Choo	884,000	0.81
19. Lim Siak Hwah	884,000	0.81
20. Hussein Noordin Sdn Berhad	579,375	0.53

# Analysis of Shareholdings (cont'd)

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

as at 14 July 2000

## D. SUBSTANTIAL SHAREHOLDERS (Pursuant to Section 69E of the Companies Act, 1965)

	No. of Shares	Direct Interest	Deemed Interest	Total	% of Shareholdings
1.	Dato' Tan Hua Choon	18,868,321	–	18,868,321	17.37
2.	Permodalan Nasional Berhad	10,270,953	–	10,270,953	9.45
3.	Yayasan Pelaburan Bumiputra	–	10,270,953 (a)	10,270,953	9.45
4.	Dato' Lim Suh Hua @ Lim Yak Hua	1,512,076	5,155,000 (b)	6,667,076	6.14
5.	Low Cheng Peng	5,135,600	–	5,135,600	4.73
6.	Wong Chee Choon	5,067,000	–	5,067,000	4.66
7.	Ong Huey Peng	2,429,000	2,481,957 (c)	4,910,957	4.52
8.	Chew Boon Seng	4,713,059	–	4,713,059	4.34
9.	Tan Lay Choo	884,000	3,266,000 (d)	4,150,000	3.82
10.	Lim Eng Huat	3,967,000	–	3,967,000	3.65
11.	Thong & Kay Hian Nominees (Asing) Sdn Bhd	3,354,400 (e)	–	3,354,400	3.18
12.	Tsang & Ong Stockbrokers (Private) Limited	3,327,000	–	3,327,000	3.06
13.	Sun Yuan Holdings Pte Ltd	–	3,327,000 (f)	3,327,000	3.06
14.	F.I.T. Nominees (Asing) Sdn Bhd	3,266,000	–	3,266,000	3.01
15.	Ong Poh Geok	2,877,000	–	2,877,000	2.65
16.	M.I.T. Nominees (Tempatan) Sdn Bhd	2,505,957	–	2,505,957	2.31
17.	HLB Nominees (Tempatan) Sdn Bhd	2,330,000	–	2,330,000	2.14
18.	Ong Har Hong	2,258,000	–	2,258,000	2.08

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

b) Registered in the name of Malaysia Nominees (Tempatan) Sdn Bhd and HLB Nominees (Tempatan) Sdn Bhd.

c) Registered in the name of M.I.T Nominees (Tempatan) Sdn Bhd

d) Registered in the name of F.I.T. Nominees (Asing) Sdn Bhd.

e) Nominee company for 12 beneficial shareholders.

f) Deemed interest by virtue of its position as the ultimate holding company of Tsang & Ong Stockbrokers (Private) Limited by virtue of Section 6A of the Companies Act, 1965.



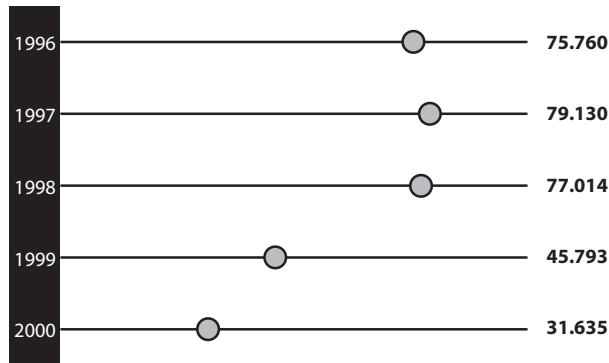
# Group Financial Highlights

## YEAR ENDED 31 MARCH

	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	<b>2000 RM'000</b>
Turnover	75,760	79,130	77,014	45,793	<b>31,635</b>
Profit Before Tax	2,726	7,718	885	8,912	<b>3,736</b>
Profit After Tax And Minority Interest Attributable To Shareholders	2,888	5,894	487	7,584	<b>2,350</b>
Dividends – Net	437	951	782	782	<b>782</b>
Shareholders' Fund	72,234	77,085	76,790	83,592	<b>85,160</b>
Earnings Per Share Based On Profit After Tax And Minority Interest	4.8 sen	7.0 sen	0.4 sen	7.0 sen	<b>2.2 sen</b>
Net Tangible Assets Per Share	118 sen	71 sen	71 sen	77 sen	<b>78 sen</b>
Dividend Rate	2%	2.5%	2%	2%	<b>2%</b>

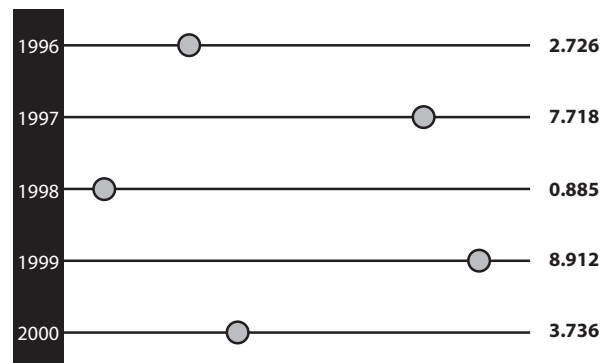
## TURNOVER

(RM Millions)



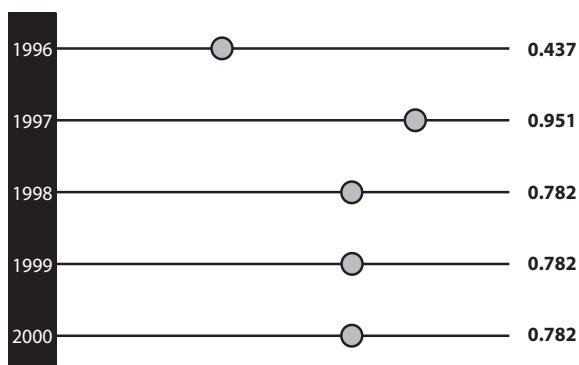
## PROFIT BEFORE TAX

(RM Millions)



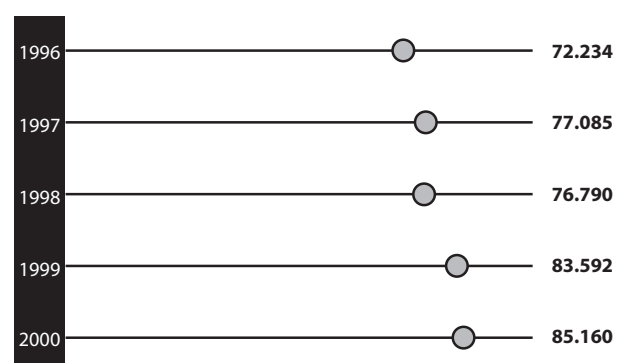
## NET DIVIDENDS

(RM Millions)



## SHAREHOLDERS' FUND

(RM Millions)



On behalf of the Board of Directors, I am pleased to present the Annual Report and Accounts of the Company and the Group for the financial year ended 31 March 2000.

## RESULTS

The Group recorded a turnover of RM32 million and profit before taxation of RM3.8 million for the financial year ended 31 March 2000, compared to RM45.8 million and RM8.9 million respectively in the previous financial year. The decrease were mainly due to non-consolidation of turnover and results of two subsidiary companies disposed of in the second half of last financial year as well as lower interest income as a result of substantial reduction in interest rates. The exceptional gain of RM3.4 million made in previous financial year also contributed to the higher earnings shown in the last financial year.

Despite lower interest income due to substantial reduction in interest rate, the Company recorded an improved profit before exceptional item of RM1.14 million for the current financial year compared to RM13,000 in the previous financial year.

## REVIEW OF OPERATIONS

The wood-based division remains the major contributor to the Group. This division recorded a turnover and profit before taxation of RM28 million and RM2.6 million respectively, representing an increase of 26% and 128% respectively compared to previous financial year. The commendable results are attributable to the improvement in export sales and increase in production output as well as continuous management efforts in cost control. As this division is currently working at almost its maximum capacity, further capital investment program will be carried out in the coming year in order to satisfy the increasing demand for its products.

The finance division however made a loss of RM0.27 million due primarily to the provision for doubtful debts of RM0.4 million. The continuation of debts recovery efforts remains the prime objective of this division.

## **C O R P O R A T E   D E V E L O P M E N T S**

The company had on 18 June 1999 announced a proposal to incorporate a new subsidiary to undertake the stockbroking business of Sime Securities Berhad. The terms and conditions on the proposed acquisition is yet to be finalised.

## **Y E A R   2 0 0 0**

The Group has successfully crossed-over Year 2000 and all systems in the Group are running smoothly.

## **D I V I D E N D**

The Board has recommend the payment of first and final dividend of 2% less tax of 28% for the year ended 31 March 2000. If approved by the shareholders at the forthcoming Annual General Meeting, the dividend will be paid on 30 November 2000.

## **P R O S P E C T S**

The Board of Directors are of the view that, barring unforeseen circumstances and based on the existing businesses, the performance of the Group will be maintained for the financial year ending 31 March 2001.

## **A P P R E C I A T I O N**

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

**Dato' Tan Hua Choon**

*Chairman*

Kuala Lumpur

13 July 2000

# List of Properties Held by the Group

as at 31 March 2000

Location	Description	Tenure / Approximate Age of Building	Area (sq. metres)	Net Book Value as at 31.3.2000 (RM)
Lot 1772 Section 3 Mak Mandin Industrial Estate Seberang Prai, Pulau Pinang	Land & Industrial Building	Leasehold expiring 2071 / 31 years	5,052	810,000
Lot 1780 Section 3 Mak Mandin Industrial Estate Seberang Prai, Pulau Pinang	Land & Industrial Building	Leasehold expiring year 2073 / 24 years	13,575	1,798,000
68-5-1, Maica Court 68, Jalan Cantonment Pulau Pinang	Residential Apartment	Freehold strata / 15 years	255	266,000
824, Taman Seluang Kulim, Kedah	Land & Residential Building	Freehold / 19 years	418	124,000
17, Jalan Anson Pulau Pinang	Land & Commercial Building	Freehold / 60 years	2,518	4,191,000
9, Jalan Zainal Abidin Pualu Pinang	Land & Commercial Building	Freehold / 12 years	362	1,549,000
Kulim Industrial Estate Kulim, Kedah	Land & Industrial Building	Leasehold expiring year 2041 and 2082 / 19 years	73,744	6,583,000
Batu 6, Jalan Kuala Kedah Kuala Kedah, Kedah	Land & Industrial Building	Freehold / 52 years	3,824	420,000
15, Jalan Zainal Abidin Pulau Pinang	Land & Commercial Building	Freehold / 22 years	203	505,000
Unit GT11 K2 & K3 Macallum Street Ghaut Pulau Pinang	Shoplots	Leasehold strata expiring year 2083 / 15 years	95	144,000
30, Jalan Kampar Ipoh, Perak	Land & Commercial Building	Freehold / 24 years	139	339,000
Lot 946 Mukim 11 Balik Pulau, Pulau Pinang	Land	Freehold	5,204	137,000

# Financial Statements

# Directors' Report

for the financial year ended 31 March 2000

The Directors have pleasure in submitting their report together with the audited accounts of the Group and of the Company for the financial year ended 31 March 2000.

## 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 15 to the accounts. There have been no significant changes in the nature of these activities during the financial year.

## FINANCIAL RESULTS

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit attributable to shareholders	2,350	665
Unappropriated profit brought forward	15,056	15,318
Profit available for appropriation	17,406	15,983
Dividend	(782)	(782)
Unappropriated profit carried forward	<u>16,624</u>	<u>15,201</u>

In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the exceptional items set out in note 6 to the accounts.

## DIVIDEND

Dividends proposed, declared or paid since the end of the Company's previous financial year are as follows:

**RM'000**

In respect of the financial year ended 31 March 1999:

As proposed in the Directors' Report for that year, a final dividend of 2% less tax at 28%, paid on  
9 November 1999

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The directors propose the payment of a final dividend of 2% per ordinary share less tax at 28% amounting to RM782,165.

## MOVEMENTS ON RESERVES AND PROVISIONS

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

## DIRECTORS

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

Dato' Tan Hua Choon  
 Dato' Yahya bin Haji Talib  
 Mr. Lim Jian Hoo  
 Mr. Thor Poh Seng  
 Encik Hamzah bin Dato' Dr. Mohd. Salleh  
 Mr. Ong Euwan George

In accordance with the Company's Articles of Association, Dato' Tan Hua Choon and Mr. Ong Euwan George retire from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

## DIRECTORS' INTERESTS

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

	1 April	Addition	Disposal	31 March
<b>Malaysia Aica Berhad</b>				
<b>Number of ordinary shares of RM0.50 Each</b>				
Dato' Tan Hua Choon				
Direct	18,868,321	-	-	18,868,321
Dato' Yahya bin Haji Talib				
Direct	9,450	-	-	9,450
Encik Hamzah bin Dato' Dr. Mohd. Salleh				
Direct	5,600	-	-	5,600

None of the other Directors in office at the end of the financial year held any other interests in the shares in 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 5 to the accounts) 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.

Neither during nor at the end of the financial year was the Company or any of its related corporations a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.



**OTHER STATUTORY INFORMATION**

Before the accounts of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain the action taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts;
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to expected realisable values.

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

- (a) which would render the amounts written off or provided for bad and doubtful debts of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets of the Group and the Company misleading; and
- (c) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

In the interval between the end of the financial year and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the Directors, would substantially affect the results of the operations of the Group and the Company for the current financial year; and
- (b) no charge has arisen on the assets of any company in the Group which secures the liabilities of any other person nor has any contingent liability arisen in any company in the Group.

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

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

**SIGNIFICANT EVENT**

The Company had on 18 June 1999 announced a proposal to incorporate a new subsidiary to undertake the stockbroking business of Sime Securities Berhad. A proposal has been submitted to Bank Negara Malaysia for consideration. As of to date, no further development has taken place.

**AUDITORS**

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

On behalf of the Board of Directors

**Lim Jian Hoo**  
Director

**Thor Poh Seng**  
Director

Penang  
26 June 2000

# Report of the Auditors

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

TO THE MEMBERS OF MALAYSIA AICA BERHAD

We have audited the accounts set out on pages 18 to 42. These accounts are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these accounts 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 accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the accounts give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2000 and of the results of the Group and the Company and the cash flows of the Group for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia, and comply with the Companies Act, 1965; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its 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 15 to the accounts. We have considered the accounts of these subsidiary companies and the auditors' reports thereon.

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

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

## **PricewaterhouseCoopers**

[AF:1146]

Public Accountants

## **Tan Hock Hin**

[441/3/01(J/PH)]

Partner of the firm

Penang

26 June 2000

# Profit and Loss Accounts

for the financial year ended 31 March 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
<b>Turnover</b>	3	<b>31,635</b>	45,793	<b>2,706</b>	2,682
<b>Operating profit before exceptional items</b>	5	<b>3,569</b>	5,460	<b>1,138</b>	13
<b>Exceptional items</b>	6	<b>(47)</b>	3,382	<b>(46)</b>	16,598
<b>Operating profit</b>		<b>3,522</b>	8,842	<b>1,092</b>	16,611
<b>Share of profits less losses of associated companies</b>		<b>214</b>	70	–	–
<b>Profit before taxation</b>		<b>3,736</b>	8,912	<b>1,092</b>	16,611
Taxation	7	<b>(441)</b>	(712)	<b>(427)</b>	(756)
<b>Profit after taxation</b>		<b>3,295</b>	8,200	<b>665</b>	15,855
Minority interests		<b>(945)</b>	(616)	–	–
<b>Profit attributable to shareholders</b>		<b>2,350</b>	7,584	<b>665</b>	15,855
Unappropriated profit brought forward		<b>15,056</b>	8,254	<b>15,318</b>	245
<b>Profit available for appropriation</b>		<b>17,406</b>	15,838	<b>15,983</b>	16,100
Dividend	8	<b>(782)</b>	(782)	<b>(782)</b>	(782)
<b>Unappropriated profit carried forward</b>		<b>16,624</b>	15,056	<b>15,201</b>	15,318
<b>Earnings per share</b>	9	<b>2.2 sen</b>	7.0 sen		

The above profit and loss accounts are to be read in conjunction with the notes to the accounts on pages 21 to 42.

Auditors' report – page 17.

# Balance Sheets

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

as at 31 March 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
<b>Capital and reserves</b>					
Share capital	10	54,317	54,317	54,317	54,317
Reserves	11	30,843	29,275	30,297	30,414
		<b>85,160</b>	83,592	<b>84,614</b>	84,731
<b>Minority interests</b>					
		<b>7,106</b>	6,366	–	–
<b>Deferred and long term liabilities</b>					
Provision for retirement benefits	12	817	722	23	15
		<b>93,083</b>	90,680	<b>84,637</b>	84,746
Represented by:					
<b>Fixed assets</b>	14	<b>25,237</b>	26,588	<b>12,208</b>	12,498
<b>Subsidiary companies</b>	15	–	–	<b>19,107</b>	20,175
<b>Associated companies</b>	16	<b>1,279</b>	1,165	<b>672</b>	672
<b>Investments</b>	17	<b>987</b>	987	<b>654</b>	654
<b>Goodwill on consolidation</b>		<b>926</b>	928	–	–
<b>Current assets</b>	18	<b>74,455</b>	68,854	<b>54,655</b>	52,245
<b>Current liabilities</b>	19	<b>(9,801)</b>	(7,842)	<b>(2,659)</b>	(1,498)
<b>Net current assets</b>		<b>64,654</b>	61,012	<b>51,996</b>	50,747
		<b>93,083</b>	90,680	<b>84,637</b>	84,746

The above balance sheets are to be read in conjunction with the notes to the accounts on pages 21 to 42.

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# Consolidated Cash Flow Statement

for the financial year ended 31 March 2000

	Note	2000 RM'000	1999 RM'000
<b>Operating cash flows</b>			
Cash receipts from debtors		30,716	19,941
Cash payments to suppliers and employees		(28,442)	(18,094)
Cash flow from operations		2,274	1,847
Interest paid		(446)	(760)
Taxation paid		(262)	(440)
		(708)	(1,200)
Net operating cash flow		1,566	647
<b>Investing cash flows</b>			
Net dividends received from other investments		22	20
Proceeds from disposal of fixed assets		–	55
Proceeds from disposal of subsidiary companies	27	163	35,610
Proceeds from disposal of associated company		–	2,160
Purchase of fixed assets		(34)	(444)
Purchase of quoted investments		–	–
Interest received		2,259	2,284
Net investing cash flow		2,410	39,685
<b>Financing cash flows</b>			
Dividends paid		(786)	(778)
Receipt of short term borrowings		12,534	–
Repayment of term loans		–	(269)
Repayments of short term borrowings		(11,138)	(1,057)
Net financing cash flow		610	(2,104)
<b>Net change in cash and cash equivalents</b>		<b>4,586</b>	<b>38,228</b>
<b>Cash and cash equivalents at beginning of the financial year</b>		<b>50,230</b>	<b>12,002</b>
<b>Cash and cash equivalents at end of the financial year</b>	28	<b>54,816</b>	<b>50,230</b>

The above consolidated cash flow statement is to be read in conjunction with the notes to the accounts on pages 21 to 42.

Auditors' report – page 17.

## 1 BASIS OF PREPARATION OF THE ACCOUNTS

The accounts of the Group and of the Company have been prepared in accordance with the applicable approved accounting standards in Malaysia.

## 2 SIGNIFICANT ACCOUNTING POLICIES

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

### Accounting convention

The accounts are prepared under the historical cost convention, modified by the revaluation of certain fixed assets in accordance with the applicable approved accounting standards in Malaysia.

### Basis of consolidation

The consolidated profit and loss account and balance sheet include the accounts of the Company and all its subsidiary companies made up to the end of the financial year. The results of the subsidiary companies acquired or disposed during the year are included in the consolidated profit and loss account from the date of their acquisition or up to the date of their disposal. Intra-group transactions and resulting unrealised profits or losses are eliminated fully on consolidation and the consolidated accounts reflect external transactions only.

### Goodwill on consolidation

Goodwill on consolidation represents the excess of the purchase price over the Group's share of fair values of the net separable 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 a provision is made.

### Foreign currencies

Foreign currency transactions are converted into Ringgit Malaysia at the rates of exchange ruling 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 ruling at that date. All foreign exchange differences are taken to the profit and loss account.

### Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation, modified by valuation of land, building and plant and machinery.

Certain land and buildings and plant and machinery are stated at valuation. The cost of other fixed assets comprises their purchase cost and any incidental costs of acquisition.

The land and buildings, plant and machinery have not been revalued since the dates of the revaluation exercises as stated in note 14. The Directors have adopted the transitional provisions in respect of assets carried at previously revalued amounts for International Accounting Standards ("IAS") No. 16 (Revised): Property, Plant and Equipment as allowed for by Malaysian Accounting Standards Board ("MASB") to retain the carrying amounts of these land and buildings, plant and machinery on the basis of their previous revaluation subject to the continuing application of current depreciation policy.

Freehold land is not depreciated.

Long leasehold land and short leasehold land are amortised in equal instalments over the remaining periods of the respective leases ranging from 47 to 73 years.

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

Depreciation of other fixed assets is calculated so as to write off their cost or valuation on the straight line basis over the expected useful lives of the assets concerned. The annual rates used are:

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

#### **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 profit and loss account and the Group's share of post-acquisition unappropriated profits and accumulated losses are added to and deducted from the cost of investments in the consolidated balance sheet respectively. These amounts are taken from the latest audited or management accounts of the companies concerned.

#### **Investments**

Investments include associated companies and subsidiaries are stated at cost less provision for diminution in value. Cost is determined principally on an average basis, computed on the occasion of each acquisition. Provision 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 sales of investments are taken to the profit and loss account.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value after adequate provision has been made for all deteriorated, damaged, obsolete or slow-moving stocks. Cost is determined on the first in first out basis and in the case of work in progress and finished goods, consists of direct materials, direct labour, direct expenses and production overheads.

#### **Debtors**

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

#### **Assets acquired under hire-purchase agreements**

Fixed assets acquired under hire-purchase are capitalised and depreciated over the useful lives of equivalent owned assets. Outstanding obligations due under hire-purchase are included as liabilities in the accounts. Finance charges arising from hire-purchase are allocated to the profit and loss accounts so as to give a constant periodic rate of interest on the outstanding liabilities at the end of each accounting period.

**Retirement benefits**

Provision is made by the Company and certain subsidiary companies for unfunded retirement benefits payable to their employees in accordance with the respective collective/service agreements.

**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.

**Profit recognition****Income from financing of leases, hire-purchases and factoring**

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.

**Interest payable on block discounts**

Interest payable on block discounts is charged to the profit and loss account using the sum-of-digits method.

**Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and bank balances and fixed deposits with licensed banks, net of bank overdrafts.

**Operating leases**

Rentals under operating lease arrangements are accounted for by charging the lease rental payments against income in the year in which they are incurred.

**3 PRINCIPAL ACTIVITIES AND TURNOVER**

The principal activities of the Company during the financial year are the provision of management services and investment holding and those of its subsidiary companies are set out in note 15 to the accounts.

Turnover of the Group represents dividend income, interest income, rental income, sales of goods and income from the financing of leases, hire-purchase, factoring of debts and lending of monies.

Turnover of the Company represents dividend income, interest income, management fees and rental income.

**4 SIGNIFICANT RELATED PARTY TRANSACTIONS**

Other than those related parties transactions disclosed elsewhere in the accounts, significant transactions between the Company and its related parties are as follows:

	<b>2000</b>	1999
	<b>RM'000</b>	RM'000
Rental income from subsidiary companies	<b>15</b>	15
Interest income from a subsidiary company	<b>135</b>	–
Management fees received and receivable from subsidiary companies	<b>276</b>	156

The terms of the above transactions were established by negotiations between the parties.



## Notes to the Accounts (cont'd)

for the financial year ended 31 March 2000

**5 OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS**

Operating profit before exceptional items is stated after charging:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Depreciation of fixed assets	<b>1,383</b>	2,421	<b>297</b>	482
Directors' remuneration:				
Fees receivable by:				
Directors of the Company	<b>62</b>	62	<b>60</b>	60
Other emoluments receivable by:				
Directors of the Company	<b>496</b>	437	<b>496</b>	437
Auditors' remuneration	<b>40</b>	43	<b>9</b>	9
Interest expense	<b>446</b>	882	–	–
Rental of land, office and buildings	<b>74</b>	102	–	–
Hire of machinery	<b>10</b>	19	–	–
Stocks written off	<b>148</b>	–	–	–
Stocks written down	<b>21</b>	–	–	–
Fixed assets written off	<b>2</b>	28	<b>2</b>	28
Development expenditure written off	–	206	–	14
Provision for doubtful debts	<b>410</b>	311	–	815
Provision for retirement benefits	<b>143</b>	–	<b>8</b>	–

**and crediting:**

Gross dividends from:

– shares quoted in Malaysia	<b>20</b>	18	<b>20</b>	18
– shares quoted outside Malaysia	<b>8</b>	9	<b>8</b>	9
Interest income	<b>2,259</b>	2,284	<b>2,209</b>	2,182
Rental income	<b>197</b>	211	<b>191</b>	195
Profit on disposal of fixed assets	–	22	–	–
Gain on foreign exchange	–	186	–	–
Write back of retirement benefits	–	10	–	22
Bad debts recovered	<b>165</b>	627	–	–

The estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash from the Group and the Company amounted to RM16,000 (1999: RM16,000) and RM16,000 (1999: RM16,000) for the Group and the Company respectively.

Cost of sales recognised as an expense for the financial year amounted to RM20,890,000 (1999: RM32,283,000) and RM Nil (1999: RM Nil) for the Group and the Company respectively.

# Notes to the Accounts (cont'd)

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

for the financial year ended 31 March 2000

## 6 EXCEPTIONAL ITEMS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
(Loss)/Profit on disposal of shares in subsidiary company	(47)	7,121	(46)	19,647
Profit on disposal of shares in an associated company	-	80	-	648
Fixed asset written down	-	(2,919)	-	(2,919)
Provision for diminution in value of investments	-	(900)	-	(778)
	<b>(47)</b>	<b>3,382</b>	<b>(46)</b>	<b>16,598</b>

## 7 TAXATION

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Taxation based on the profit for the year:				
Malaysian income tax	(441)	-	(427)	-
Underprovision of taxation in respect of prior years	-	(749)	-	(756)
	<b>(441)</b>	<b>(749)</b>	<b>(427)</b>	<b>(756)</b>
On share of profit of an associated Company	-	37	-	-
	<b>(441)</b>	<b>(712)</b>	<b>(427)</b>	<b>(756)</b>

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

The effective taxation rate for the Group in the current financial year is lower than the statutory rate because certain subsidiaries of the Group have sufficient unabsorbed capital allowances to set off against the chargeable income.

The Group and the Company has, subject to confirmation of the Inland Revenue Board, the following reliefs against which no future tax benefit has been accounted for:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Tax losses carried forward	7,146	3,078	-	394
Unabsorbed capital allowances	13,829	9,579	431	321
Unabsorbed reinvestment allowances	776	898	-	-
	<b>21,751</b>	<b>13,555</b>	<b>431</b>	<b>715</b>

## Notes to the Accounts (cont'd)

for the financial year ended 31 March 2000

**8 DIVIDEND****Group and Company**

	<b>2000</b> <b>RM'000</b>	1999 RM'000
Proposed final dividend of 2%(1999: 2%) less tax at 28% (1999: 28%)	<b>782</b>	782

**9 EARNINGS PER SHARE**

The earnings per share has been calculated based on the profit after tax and minority interests of RM2,350,000 (1999: RM7,584,000) and on the number of 108,634,560 (1999:108,634,560) ordinary shares in issue during the year.

**10 SHARE CAPITAL**

	<b>2000</b> <b>RM'000</b>	1999 RM'000
<b>Authorised:</b>		
200,000,000 ordinary shares of RM0.50 each	<b>100,000</b>	100,000
<b>Issued and fully paid:</b>		
108,634,560 ordinary shares of RM0.50 each	<b>54,317</b>	54,317

**11 RESERVES**

	<b>Group</b>		<b>Company</b>	
	<b>2000</b> <b>RM'000</b>	1999 RM'000	<b>2000</b> <b>RM'000</b>	1999 RM'000
<b>Non-distributable reserves</b>				
Share premium account	<b>13,296</b>	13,296	<b>13,296</b>	13,296
Property revaluation surplus	<b>99</b>	99	-	-
Capitalisation of post-acquisition profits in subsidiary companies	<b>824</b>	824	-	-
Profit on disposal of investment in a subsidiary company	-	-	<b>1,800</b>	1,800
	<b>14,219</b>	14,219	<b>15,096</b>	15,096
<b>Distributable reserve</b>				
Unappropriated profit	<b>16,624</b>	15,056	<b>15,201</b>	15,318
At 31 March	<b>30,843</b>	29,275	<b>30,297</b>	30,414

# Notes to the Accounts (cont'd)

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

for the financial year ended 31 March 2000

The Company has, subject to confirmation by the Inland Revenue Board, sufficient tax exempt income and tax credit under the Promotion of Investments Act, 1986 and the Income Tax Act, 1967 to frank the payment of net dividends out of all its unappropriated profit at 31 March 2000.

Pursuant to the requirements of Section 365(1A) of the Companies Act, 1965, the future distribution of dividends out of the Company's retained profits may only be declared for a financial year up to an amount not exceeding the after-tax profit of that financial year, or not exceeding the average dividends declared in respect of the two financial years immediately preceding that financial year, whichever is the greater.

The Finance Minister proposed in the Year 2000 Budget on 29 October 1999 the removal of Section 365(1A) of the Companies Act, 1965, restrictions. The Bill to amend Section 365 has been tabled in Parliament but has yet to be enacted and gazetted. Prior to the bill being gazetted, the Company will have to apply to the Ministry of Finance for the exemption on Section 365(1A) if the dividend declared is exceeding the provisions allowed under Section 365(1A).

## 12 PROVISION FOR RETIREMENT BENEFITS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
At 1 April	722	770	15	50
Provision made/(written back) during the financial year	143	(10)	8	(22)
	865	760	23	28
Payments made during the financial year	(48)	(38)	-	(13)
At 31 March	817	722	23	15

Included under "Provision for retirement benefits" is an amount due to retiring employees payable within 12 months amounting to RM12,000 (1999: RM14,000) and RM Nil (1999: RM Nil) for the Group and the Company respectively.

## 13 DEFERRED TAXATION

Deferred tax assets not provided for:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
- excess of capital allowances over depreciation	523	816	18	20
- other timing differences	(222)	(195)	(6)	(6)
	301	621	12	14
Less				
- tax losses carried forward	(1,984)	(4,564)	-	(110)
- unabsorbed capital allowances	(3,872)	(4,378)	(121)	(109)
	(5,856)	(8,942)	(121)	(219)
	(5,555)	(8,321)	(109)	(205)

## Notes to the Accounts (cont'd)

for the financial year ended 31 March 2000

**14 FIXED ASSETS**

The details of fixed assets are as follows:

**Group**

2000	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
<b>Cost or valuation</b>									
At 1 April	13,436	8,939	1,555	21,364	85	2,720	993	405	49,497
Additions	-	-	-	11	-	23	-	-	34
Disposals/written off	-	-	-	-	-	(2)	-	-	(2)
At 31 March	13,436	8,939	1,555	21,375	85	2,741	993	405	49,529
Capital work in progress, at cost									768
									50,297
<b>Depreciation</b>									
At 1 April	626	2,129	522	17,295	65	2,103	547	390	23,677
Charge for the financial year	124	179	31	763	3	132	147	4	1,383
At 31 March	750	2,308	553	18,058	68	2,235	694	394	25,060
<b>Net book value</b>									
31 March 2000	12,686	6,631	1,002	3,317	17	506	299	11	25,237

The Group's freehold and leasehold land comprise:

2000	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
<b>Cost or valuation</b>						
At 1 April 1999/ 31 March 2000	5,059	737	2,284	875	4,481	13,436
<b>Depreciation</b>						
At 1 April	-	-	133	156	337	626
Charge for the financial year	-	-	27	10	87	124
At 31 March	-	-	160	166	424	750
<b>Net book value</b>						
31 March 2000	5,059	737	2,124	709	4,057	12,686

Included in the fixed assets of the Group are plant and machinery and motor vehicles costing RM Nil (1999: RM295,000) which were acquired under instalment purchase plans.

# Notes to the Accounts (cont'd)

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

for the financial year ended 31 March 2000

1999	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
<b>Cost or valuation</b>									
At 1 April	17,013	11,475	3,559	43,703	1,804	4,758	2,100	454	84,866
Additions	-	-	-	346	-	89	2	11	448
Disposals/written off	(40)	-	-	-	-	(105)	(50)	-	(195)
Written down	-	-	-	(3,437)	-	-	-	-	(3,437)
Disposal through disposal of subsidiary companies	(3,537)	(2,536)	(2,004)	(19,248)	(1,719)	(2,022)	(1,059)	(60)	(32,185)
At 31 March	13,436	8,939	1,555	21,364	85	2,720	993	405	49,497
Capital work in progress, at cost									768
									<u>50,265</u>
<b>Depreciation</b>									
At 1 April	847	2,307	1,092	25,643	1,781	3,333	984	446	36,433
Charge for the financial year	142	202	51	1,556	3	241	222	4	2,421
Disposals/written off	-	-	-	-	-	(76)	(50)	-	(126)
Written down	-	-	-	(518)	-	-	-	-	(518)
Disposal through disposal of subsidiary companies	(363)	(380)	(621)	(9,386)	(1,719)	(1,395)	(609)	(60)	(14,533)
At 31 March	626	2,129	522	17,295	65	2,103	547	390	23,677
<b>Net book value</b>									
31 March 1999	12,810	6,810	1,033	4,069	20	617	446	15	26,588

## Notes to the Accounts (cont'd)

for the financial year ended 31 March 2000

The Group's freehold and leasehold land comprise:

1999	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	Short term leasehold land, at valuation RM'000	Total RM'000
<b>Cost or valuation</b>							
At 1 April	5,886	777	3,663	1,918	4,481	288	17,013
Disposals	–	(40)	–	–	–	–	(40)
Disposal through disposal of subsidiary companies	(827)	–	(1,379)	(1,043)	–	(288)	(3,537)
At 31 March	5,059	737	2,284	875	4,481	–	13,436
<b>Depreciation</b>							
At 1 April	–	–	193	330	250	74	847
Charge for the financial year	–	–	37	16	87	2	142
Disposal through disposal of subsidiaries companies	–	–	(97)	(190)	–	(76)	(363)
At 31 March	–	–	133	156	337	–	626
<b>Net book value</b>							
31 March 1999	5,059	737	2,151	719	4,144	–	12,810

# Notes to the Accounts (cont'd)

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

for the financial year ended 31 March 2000

## Company

	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	Furniture, fittings and equipment, at cost RM'000	Motor vehicles, at cost RM'000	Total RM'000
<b>2000</b>							
<b>Cost or valuation</b>							
At 1 April	9,489	1,626	93	1,750	483	304	13,745
Additions	–	–	–	–	9	–	9
Disposals	–	–	–	–	(2)	–	(2)
At 31 March	9,489	1,626	93	1,750	490	304	13,752
<b>Depreciation</b>							
At 1 April	310	305	34	–	350	248	1,247
Charge for the financial year	87	33	2	87	34	54	297
At 31 March	397	338	36	87	384	302	1,544
<b>Net book value</b>							
31 March 2000	9,092	1,288	57	1,663	106	2	12,208

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	Short term leasehold land, at cost RM'000	Total RM'000
<b>2000</b>					
<b>Cost or valuation</b>					
At 1 April	4,718	67	875	3,829	9,489
Additions	–	–	–	–	–
At 31 March	4,718	67	875	3,829	9,489
<b>Depreciation</b>					
At 1 April	–	–	156	154	310
Charge for the financial year	–	–	10	77	87
At 31 March	–	–	166	231	397
<b>Net book value</b>					
31 March 2000	4,718	67	709	3,598	9,092



## Notes to the Accounts (cont'd)

for the financial year ended 31 March 2000

1999	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	Furniture, fittings and equipment, at cost RM'000	Motor vehicles, at cost RM'000	Total RM'000
<b>Cost or valuation</b>							
At 1 April	9,489	1,626	93	5,187	578	304	17,277
Additions	–	–	–	–	6	–	6
Disposals/written off	–	–	–	–	(101)	–	(101)
Written down	–	–	–	(3,437)	–	–	(3,437)
At 31 March	9,489	1,626	93	1,750	483	304	13,745
<b>Depreciation</b>							
At 1 April	223	272	32	259	376	194	1,356
Charge for the financial year	87	33	2	259	47	54	482
Disposals/written off	–	–	–	–	(73)	–	(73)
Written down	–	–	–	(518)	–	–	(518)
At 31 March	310	305	34	–	350	248	1,247
<b>Net book value</b>							
31 March 1999	9,179	1,321	59	1,750	133	56	12,498

The Company's freehold and leasehold land comprise:

1999	Freehold land, at cost RM'000	Freehold land, at valuation RM'000	Long term leasehold land, at valuation RM'000	Short term leasehold land, at cost RM'000	Total RM'000
<b>Cost or valuation</b>					
At 1 April/31 March	4,718	67	875	3,829	9,489
<b>Depreciation</b>					
At 1 April	–	–	146	77	223
Charge for the financial year	–	–	10	77	87
At 31 March	–	–	156	154	310
<b>Net book value</b>					
31 March 1999	4,718	67	719	3,675	9,179

The title deeds to certain piece of short term leasehold land of the Company have yet to be issued.

The long term leasehold land and building with net book value of RM8,179,775 (1999: RM8,368,071) and RM2,054,000 (1999: RM2,099,000) for the Group and the Company respectively have been pledged as security for bank overdraft facilities.

### Valuations

Valuations on an existing use basis carried out on certain fixed assets 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 for International Accounting Standards ("IAS") No. 16 (Revised): Property, Plant and Equipment as allowed for by Malaysian Accounting Standards Board ("MASB") to retain the carrying amounts of these land and 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 the revaluation of certain freehold and leasehold properties is not disclosed as there is no foreseeable intention to dispose of these properties.

The net book values of the fixed assets at valuation that would otherwise be stated in the accounts had the fixed assets been carried at cost less depreciation are as follows:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Freehold land	215	215	59	59
Long term leasehold land	58	59	58	59
Short term leasehold land	–	–	–	–
Buildings	718	741	51	53
Plant and machinery	–	4	–	–
	<b>991</b>	1,019	<b>168</b>	171

## Notes to the Accounts (cont'd)

for the financial year ended 31 March 2000

## 15 SUBSIDIARY COMPANIES

## Company

The subsidiary companies are:

Name of Company	Place of incorporation	Holding in equity				Principal activities
		By the Company		By Subsidiary Companies		
		2000 %	1999 %	2000 %	1999 %	
Maicador Sdn. Bhd.	Malaysia	–	–	100	100	Manufacture of prefabricated doors and door frames
Maica Wood Industries Sdn. Bhd.	Malaysia	64.4	64.4	–	–	Manufacture of knocked-down furniture and parts and mouldings from rubber wood
* Consolidated Leasing (M) Sdn. Bhd.	Malaysia	100	100	–	–	Financing of leases, hire-purchase and investment holding
* Consolidated Factoring (M) Sdn. Bhd.	Malaysia	–	–	87.8	87.8	Factoring of debts
* Maica Polijaya Sdn. Bhd.	Malaysia	–	51	–	–	Housing Development
* Maritime Credits (Malaysia) Sdn. Bhd.	Malaysia	–	–	100	100	Granting of commercial credits
* Pinaremas Sdn. Bhd.	Malaysia	100	100	–	–	Investment holding
* Syarikat Kilang Ayer Batu Kuala Kedah Sdn. Bhd.	Malaysia	–	–	75	75	Manufacture of ice blocks
* Modern Woodwork Sdn. Bhd.	Malaysia	100	100	–	–	Investment holding
* Suradamai Sdn. Bhd.	Malaysia	–	–	100	100	Dormant

\* Not audited by PricewaterhouseCoopers

# Notes to the Accounts (cont'd)

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

for the financial year ended 31 March 2000

Interests in the subsidiary companies:

	2000 RM'000	1999 RM'000
Unquoted shares, at cost	19,502	20,064
Provision for diminution in value of shares	(6,630)	(6,978)
	<b>12,872</b>	13,086
Amount due from subsidiary companies	<b>7,050</b>	7,904
Provision for doubtful debts	(815)	(815)
	<b>6,235</b>	7,089
	<b>19,107</b>	20,175

## 16 ASSOCIATED COMPANIES

Interests in associated companies:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Unquoted shares, at cost	696	790	696	696
Provision for diminution in value of shares	(24)	(24)	(24)	(24)
	<b>672</b>	766	<b>672</b>	672
Share of post-acquisition unappropriated profits less losses	<b>607</b>	393	-	-
	<b>1,279</b>	1,159	<b>672</b>	672
Amount due from an associated company	-	6	-	-
	<b>1,279</b>	1,165	<b>672</b>	672

The associated companies are:

Name of Company	Place of incorporation	Holding in equity						Principal activities
		By the Company		By Subsidiary Companies		Financial Year End		
		2000 %	1999 %	2000 %	1999 %			
Maica Corporation (Aust) Pty. Ltd.	Australia	30	30	-	-	30 June	Dormant	
Mahakota Sdn. Bhd.	Malaysia	25.4	25.4	-	-	31 May	Manufacture of doors	

## Notes to the Accounts (cont'd)

for the financial year ended 31 March 2000

## 17 INVESTMENTS

## Group

	2000		1999	
	Cost RM'000	Market value RM'000	Cost RM'000	Market value RM'000
Quoted shares in corporations, at cost				
– Malaysia	512	576	512	366
– Overseas	92	530	92	292
	<b>604</b>	<b>1,106</b>	604	658
Unquoted shares in corporations, at cost	<b>1,283</b>		1,283	
	<b>1,887</b>		1,887	
Provision for diminution in value of shares	<b>(900)</b>		(900)	
	<b>987</b>		987	

## Company

	2000		1999	
	Cost RM'000	Market value RM'000	Cost RM'000	Market value RM'000
Quoted shares in corporations, at cost				
– Malaysia	512	576	512	366
– Overseas	92	530	92	292
	<b>604</b>	<b>1,106</b>	604	658
Unquoted shares in corporations, at cost	<b>50</b>		50	
	<b>654</b>		654	

Subsequent to the year-end, the market value of the shares in companies quoted in Malaysia and outside Malaysia as at 23 June 2000 were RM444,000 and RM544,000 respectively. No adjustment has been made in the accounts as at 31 March 2000 for this subsequent change.

# Notes to the Accounts (cont'd)

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

for the financial year ended 31 March 2000

## 18 CURRENT ASSETS

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Stocks	20	9,881	6,659	–	–
Trade debtors	21	1,259	2,047	–	–
Bills receivable		4,353	3,789	–	–
Investment in finance leases	22	329	494	–	–
Hire-purchase debtors	23	373	1,870	–	–
Factoring debtors	24	1	9	–	–
Other debtors, deposits and prepayments		773	626	61	56
Fixed deposits with licensed banks		56,373	52,451	54,258	52,120
Cash and bank balances		1,113	909	336	69
		<b>74,455</b>	<b>68,854</b>	<b>54,655</b>	<b>52,245</b>

## 19 CURRENT LIABILITIES

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade creditors		680	775	–	–
Block discounts		–	5	–	–
Short term borrowings	25	2,166	770	–	–
Other creditors and accrued liabilities		2,926	1,972	1,356	357
Taxation		567	394	511	345
Dividend payable		10	14	10	14
Proposed dividend		782	782	782	782
Bank overdrafts	26	2,670	3,130	–	–
		<b>9,801</b>	<b>7,842</b>	<b>2,659</b>	<b>1,498</b>

## Notes to the Accounts (cont'd)

for the financial year ended 31 March 2000

**20 STOCKS****Group**

	<b>2000</b>	1999
	<b>RM'000</b>	RM'000
At cost:		
Raw materials	<b>926</b>	654
Work in progress	<b>6,009</b>	4,031
Finished goods	<b>1,280</b>	1,232
Consumable goods	<b>1,666</b>	748
	<b>9,881</b>	6,665
Provision for slow-moving stocks	-	(6)
	<b>9,881</b>	6,659

**21 TRADE DEBTORS****Group**

	<b>2000</b>	1999
	<b>RM'000</b>	RM'000
Trade debtors	<b>3,173</b>	3,645
Provision for doubtful debts	<b>(1,914)</b>	(1,598)
	<b>1,259</b>	2,047

**22 INVESTMENT IN FINANCE LEASES****Group**

	<b>2000</b>	1999
	<b>RM'000</b>	RM'000
Amounts due:		
Within the next twelve months	<b>899</b>	1,055
After the next twelve months	-	18
	<b>899</b>	1,073
Unearned lease income	<b>(1)</b>	(12)
	<b>898</b>	1,061
Portion not financed	<b>300</b>	342
	<b>1,198</b>	1,403
Provision for doubtful debts	<b>(869)</b>	(909)
	<b>329</b>	494

# Notes to the Accounts (cont'd)

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

for the financial year ended 31 March 2000

## 23 HIRE-PURCHASE DEBTORS

### Group

	2000 RM'000	1999 RM'000
Amounts due:		
Within the next twelve months	2,728	4,251
After the next twelve months	–	118
	<u>2,728</u>	<u>4,369</u>
Unearned interest income	(173)	(261)
	<u>2,555</u>	<u>4,108</u>
Provision for doubtful debts	(2,182)	(2,238)
	<u>373</u>	<u>1,870</u>

## 24 FACTORING DEBTORS

### Group

	2000 RM'000	1999 RM'000
Amounts financed	1,774	1,820
Unearned factoring income	–	(11)
	<u>1,774</u>	<u>1,809</u>
Provision for doubtful debts	(1,773)	(1,800)
	<u>1</u>	<u>9</u>

## 25 SHORT TERM BORROWINGS

### Group

	2000 RM'000	1999 RM'000
Secured	<u>2,166</u>	<u>770</u>

The short term borrowings are secured by:

Fixed charges over certain fixed assets and floating charges over the current assets of the subsidiary companies, and equitable assignment of a subsidiary company's contractual leasing rights and interests together with the goods comprised therein.

The interest rates for the financial year ranged between 4.20% and 6.70% (1999: 6.85% and 13.70%) per annum.



## Notes to the Accounts (cont'd)

for the financial year ended 31 March 2000

**26 BANK OVERDRAFTS****Group**

	<b>2000</b>	1999
	<b>RM'000</b>	RM'000
Secured	<b>729</b>	1,072
Unsecured	<b>1,941</b>	2,058
	<b>2,670</b>	3,130

The bank overdrafts are secured by fixed charges over certain fixed assets of a subsidiary company.

The interest rates for the year ranged between 4.40% and 7.10% (1998: 7.82% and 15.30%) per annum.

**27 DISPOSAL OF SUBSIDIARY COMPANY**

During the financial year, the Group disposed of its subsidiary company, Maica Polijaya Sdn.Bhd. The fair value of the net assets disposed are as follows:

	<b>2000</b>
	<b>RM'000</b>
Investment	100
Debtors	360
Creditors	(47)
Cash and bank balances	5
	<b>418</b>
Minority interests	(205)
	<b>213</b>
Goodwill	2
	<b>215</b>
Loss on disposal of subsidiary companies	(47)
	<b>168</b>
Cash consideration received on disposal	(5)
Cash and bank balances in subsidiaries disposed	<b>163</b>
	<b>163</b>

# Notes to the Accounts (cont'd)

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

for the financial year ended 31 March 2000

## 28 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated cash flow statement comprise the following:

	<b>2000</b>	1999
	<b>RM'000</b>	RM'000
Fixed deposits with licensed banks	<b>56,373</b>	52,451
Cash and bank balances	<b>1,113</b>	909
Bank overdrafts	<b>(2,670)</b>	(3,130)
	<b>54,816</b>	50,230

## 29 CONTINGENT LIABILITIES

	<b>Group</b>		<b>Company</b>	
	<b>2000</b>	1999	<b>2000</b>	1999
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Secured:</b>				
Fixed charge on a piece of the Company's leasehold land as security for banking facilities granted to a subsidiary company	-	-	<b>1,000</b>	1,000
<b>Unsecured:</b>				
Third party guarantees as security for banking and loan facilities granted to third party companies/certain subsidiary companies	<b>3,250</b>	-	<b>17,175</b>	7,925
Bills of exchange discounted	-	2,315	-	-
	<b>3,250</b>	2,315	<b>17,175</b>	7,925
	<b>3,250</b>	2,315	<b>18,175</b>	8,925

## 30 LEASE COMMITMENTS

### Group

Operating lease rentals payable from the balance sheet date to the expiry of the leases are as follows:

	<b>2000</b>	1999
	<b>RM'000</b>	RM'000
Rentals due within 12 months	<b>14</b>	25
Rentals due after 12 months	<b>-</b>	14
	<b>14</b>	39

## Notes to the Accounts (cont'd)

for the financial year ended 31 March 2000

**3 1 SEGMENTAL INFORMATION****Group**

Analysis of turnover, results and assets employed of the Company and its subsidiary companies by industry segments are as follows:

Industry segment	Turnover		Profit before taxation		Assets employed	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Manufacturing	<b>31,184</b>	31,792	<b>2,920</b>	3,055	<b>29,531</b>	25,427
Trading	–	13,357	–	589	–	–
Financing	<b>535</b>	942	<b>(274)</b>	520	<b>4,832</b>	6,225
Others	<b>2,706</b>	2,707	<b>1,090</b>	4,748	<b>68,522</b>	66,870
	<b>34,425</b>	48,798	<b>3,736</b>	8,912	<b>102,885</b>	98,522
Group's share in Associated Companies	<b>(2,790)</b>	(3,005)	<b>(214)</b>	(70)	<b>(1,279)</b>	(1,165)
	<b>31,635</b>	45,793	<b>3,522</b>	8,842	<b>101,606</b>	97,357

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

# Statement by Directors

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Malaysia Aica Berhad (8235-K) (Incorporated in Malaysia)

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 accounts set out on pages 18 to 42 are drawn up so as to exhibit a true and fair view of the state of affairs of the Group and the Company as at 31 March 2000 and of the results of the Group and the Company and the cash flows of the Group for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia.

Signed at Penang on 26 June 2000

On behalf of the Board of Directors

**Lim Jian Hoo**

Director

**Thor Poh Seng**

Director

## Statutory Declaration

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Teoh Beng Chong, being 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 accounts set out on pages 18 to 42 are 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 26 June 2000

Before me

**Ch'ng Chin Kuan**

Commissioner for Oaths



# Proxy Form

**Malaysia Aica Berhad**  
(8235-K) (Incorporated in Malaysia)

I / We \_\_\_\_\_  
(full name in block letters) of

\_\_\_\_\_  
(full address)

being a member / members of **MALAYSIA AICA BERHAD** hereby appoint \_\_\_\_\_

\_\_\_\_\_  
(full name in block letters) of

\_\_\_\_\_  
(full address)

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 First Annual General Meeting of the Company to be held at the Raya Room, Mezzanine Floor, Hotel Equatorial, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Wednesday, 6 September, 2000 at 11.00 a.m. or any adjournment thereof.

The proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an 'X' in the appropriate spaces. If no voting instructions are given, the proxy may vote or abstain from voting at his/her discretion.

<b>R E S O L U T I O N</b>	<b>F O R</b>	<b>A G A I N S T</b>
Ordinary Resolution No. 1	_____	_____
Ordinary Resolution No. 2	_____	_____
Ordinary Resolution No. 3	_____	_____
Ordinary Resolution No. 4(a)	_____	_____
Ordinary Resolution No. 4(b)	_____	_____
Ordinary Resolution No. 5	_____	_____
Ordinary Resolution No. 6	_____	_____

\_\_\_\_\_  
Signature / Seal

No. of Shares Held

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2000

**Notes :**

1. A proxy need not be a member of the Company, but unless he is, then by provision of Section 149(1)(b) of the Companies Act, 1965, he must be an advocate, an approved company auditor, or a person approved by the Registrar of Companies in a particular case unless the person named as proxy is the Chairman of the Meeting.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his / her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
3. The Proxy Form must be deposited with the Company's Share Registrars, Messrs PFA Registration Services Sdn Bhd, 1301, Level 13, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, at least 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 Messrs PFA Registration Services Sdn Bhd,  
1301, Level 13, Uptown 1, No. 1,  
Jalan SS21/58, Damansara Uptown,  
47400 Petaling Jaya, Selangor Darul Ehsan.