Malaysia Aica Berhad

(Company no: 8235 K)
(Incorporated in Malaysia)

Reports and statutory financial statements for the financial year ended 31 March 2005

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Contents

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Directors' report
for the financial year ended 31 March 2005

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 2005.

Principal activities

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

Financial results

	Group RM'000	Company RM'000
(Loss)/profit from ordinary activities after taxation	(6,689)	79
Minority interests	2,059	0
Net (loss)/ profit for the financial year	(4,630)	79

Dividend

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

The Directors do not recommend the payment of any dividend for the financial year ended 31 March 2005.

Reserves and provisions

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

Directors

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

Tan Sri Dato' Tan Hua Choon
Mr. Lim Jian Hoo
Mr. Thor Poh Seng
Mr. Lee Yu-Jin
Encik Aminuddin Yusof Lana
Encik Mohtar bin Abdullah (appointed on 17 November 2004)
Cik Yazween binti Dato' Yahya (resigned on 17 November 2004)

Directors' report
for the financial year ended 31 March 2005 (continued)

Directors' interests

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

	Number of ordinary shares of RM0.50 each			
	1 April 2004	Addition	Disposal	**31 March 2005**
Malaysia Aica Berhad				
Tan Sri Dato' Tan Hua Choon				
Direct	22,641,985	0	0	**22,641,985**

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

Directors' benefits

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

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

Statutory information on the financial statements

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

(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.

Directors' report
for the financial year ended 31 March 2005 (continued)

Statutory information on the financial statements (continued)

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 subsidiary companies to meet their obligations when they fall due.

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

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

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

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.

Directors' report
for the financial year ended 31 March 2005 (continued)

Proposed acquisition of 100% of the issued and paid-up share capital of Hyrax Oil Sdn. Bhd ("Hyrax").

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

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

On 11 January 2005, the Company and the shareholders of Hyrax had agreed to extend the cut off date, to fulfil the conditions precedent as detailed in the Sale and Purchase of Shares Agreement and extended by the Supplemental Agreement, for a further period of twelve (12) months expiring on 10 January 2006 or such later date that the Company and shareholders of Hyrax agree in writing.

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 20 July 2005.

Lim Jian Hoo
Director

Thor Poh Seng
Director

Report of the auditors to the members of Malaysia Aica Berhad

(Company no: 8235 K)
(Incorporated in Malaysia)

We have audited the financial statements set out on pages 7 to 43. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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 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 MASB 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 2005 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 18 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.

PRICEWATERHOUSECOOPERS

Report of the auditors to the members of Malaysia Aica Berhad (continued)

(Company no: 8235 K)
(Incorporated in Malaysia)

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 material qualification and did not include any comment made under subsection (3) of section 174 of the Act.

PricewaterhouseCoopers	**Cho Choo Meng**
[AF:1146]	[2082/09/06 (J)]
Chartered Accountants	Partner of the firm

Penang
20 July 2005

Malaysia Aica Berhad

(Company no: 8235 K)
(Incorporated in Malaysia)

Income statements
for the financial year ended 31 March 2005

	Note	Group		Company	
		2005 RM'000	2004 RM'000	**2005 RM'000**	2004 RM'000
Revenue	5	**22,455**	21,148	**1,545**	2,143
Cost of sales		**(23,685)**	(20,232)	**0**	0
Gross (loss)/profit		**(1,230)**	916	**1,545**	2,143
Other operating income		**312**	840	**33**	151
Selling and distribution costs		**(1,446)**	(883)	**0**	0
Administration expenses		**(4,051)**	(3,809)	**(1,409)**	(3,050)
Other operating expenses		**0**	(1,536)	**0**	0
(Loss)/profit from operations	6	**(6,415)**	(4,472)	**169**	(756)
Finance cost	7	**(116)**	(130)	**0**	0
Share of results of associated companies		**(61)**	(129)	**0**	0
(Loss)/profit from ordinary activities before taxation		**(6,592)**	(4,731)	**169**	(756)
Taxation	11	**(99)**	(253)	**(90)**	(242)
Share of tax of associated companies		**2**	31	**0**	0
(Loss)/profit from ordinary activities after taxation		**(6,689)**	(4,953)	**79**	(998)
Minority interests		**2,059**	1,541	**0**	0
Net (loss)/profit for the financial year		**(4,630)**	(3,412)	**79**	(998)
Loss per share					
- basic	12	**(3.6 sen)**	(2.6 sen)		
- diluted	12	**N/A**	N/A		

The accounting policies and the notes on pages 12 to 43 form an integral part of these financial statements.

Malaysia Aica Berhad
(Company no: 8235 K)
(Incorporated in Malaysia)

Balance sheets as at 31 March 2005

		Group		Company	
	Note	**2005 RM'000**	2004 RM'000	**2005 RM'000**	2004 RM'000
Capital and reserves					
Share capital	13	**65,180**	65,180	**65,180**	65,180
Reserves	14	**8,288**	12,918	**20,752**	20,673
		73,468	78,098	**85,932**	85,853
Minority interests		**98**	2,154	**0**	0
Non-current liabilities					
Retirement benefits	15	**921**	917	**48**	42
Deferred taxation	16	**25**	25	**0**	0
		946	942	**48**	42
		74,512	81,194	**85,980**	85,895
Represented by:					
Non-current assets					
Property, plant and equipment	17	**22,908**	23,033	**6,648**	6,733
Subsidiary companies	18	**0**	0	**12,871**	12,871
Associated companies	19	**1,944**	2,003	**672**	672
Investments	20	**422**	492	**65**	135
		25,274	25,528	**20,256**	20,411
Current assets					
Inventories	21	**6,149**	4,217	**0**	0
Trade receivables	22	**320**	331	**0**	0
Bills receivable	23	**835**	915	**0**	0
Investment in finance leases	24	**0**	0	**0**	0
Hire-purchase receivables	25	**0**	0	**0**	0
Factoring receivables	26	**3**	3	**0**	0
Other receivables, deposits and prepayments	27	**907**	333	**710**	67
Tax recoverable		**6**	22	**0**	0
Amounts due from subsidiary companies	28	**0**	0	**23,050**	16,799
Deposits, cash and bank balances	29	**46,615**	54,432	**42,134**	48,924
		54,835	60,253	**65,894**	65,790
Current liabilities					
Trade and other payables	30	**1,820**	3,233	**127**	105
Retirement benefits	15	**10**	24	**0**	0
Short term borrowing	31	**1,000**	1,000	**0**	0
Provision for taxation		**87**	244	**43**	201
Bank overdrafts	32	**2,680**	86	**0**	0
		5,597	4,587	**170**	306
Net current assets		**49,238**	55,666	**65,724**	65,484
		74,512	81,194	**85,980**	85,895

The accounting policies and the notes on pages 12 to 43 form an integral part of these financial statements.

Malaysia Aica Berhad

(Company no: 8235 K)
(Incorporated in Malaysia)

Consolidated statement of changes in equity for the financial year ended 31 March 2005

	Issued and fully paid ordinary shares of RM0.50 each		Non-distributable					
Group	**Number of shares Units**	**Nominal value RM'000**	**Exchange fluctuation reserve RM'000**	**Share premium RM'000**	**Property revaluation surplus RM'000**	**Capital reserve RM'000**	**Retained profits/ (Accumulated losses) RM'000**	**Total RM'000**
At 1 April 2003	130,361,472	65,180	288	13,296	812	815	1,407	81,798
Translation differences on disposal of property in subsidiary company	0	0	(288)	0	0	0	0	(288)
Net loss for the financial year	0	0	0	0	0	0	(3,412)	(3,412)
At 31 March 2004	130,361,472	65,180	0	13,296	812	815	(2,005)	78,098
At 1 April 2004	**130,361,472**	**65,180**	**0**	**13,296**	**812**	**815**	**(2,005)**	**78,098**
Net loss for the financial year	**0**	**0**	**0**	**0**	**0**	**0**	**(4,630)**	**(4,630)**
At 31 March 2005	**130,361,472**	**65,180**	**0**	**13,296**	**812**	**815**	**(6,635)**	**73,468**

The accounting policies and the notes on pages 12 to 43 form an integral part of these financial statements.

Malaysia Aica Berhad

(Company no: 8235 K)
(Incorporated in Malaysia)

Statement of changes in equity
for the financial year ended 31 March 2005

	Issued and fully paid ordinary shares of RM0.50 each		Non-distributable		Distributable	
Company	**Number of shares Units**	**Nominal value RM'000**	**Share premium RM'000**	**Capital reserve RM'000**	**Retained profits RM'000**	**Total RM'000**
At 1 April 2003	130,361,472	65,180	13,296	1,800	6,575	86,851
Net loss for the financial year	0	0	0	0	(998)	(998)
At 31 March 2004	130,361,472	65,180	13,296	1,800	5,577	85,853
At 1 April 2004	**130,361,472**	**65,180**	**13,296**	**1,800**	**5,577**	**85,853**
Net profit for the financial year	**0**	**0**	**0**	**0**	**79**	**79**
At 31 March 2005	**130,361,472**	**65,180**	**13,296**	**1,800**	**5,656**	**85,932**

The accounting policies and the notes on pages 12 to 43 form an integral part of these financial statements.

Malaysia Aica Berhad

(Company no: 8235 K)
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Cash flow statements for the financial year ended 31 March 2005

	Note	Group		Company	
		2005	2004	**2005**	2004
		RM'000	RM'000	**RM'000**	RM'000
Operating cash flows					
Cash receipts from customers		**21,244**	21,962	**(316)**	2,211
Cash payments to suppliers		**(31,504)**	(23,486)	**(1,289)**	(1,344)
Cash flows (used in)/from operations		**(10,260)**	(1,524)	**(1,605)**	867
Retirement benefits paid		**(55)**	(50)	**0**	0
Interest paid		**(116)**	(130)	**0**	0
Taxation paid		**(241)**	(475)	**(248)**	(460)
		(412)	(655)	**(248)**	(460)
Net operating cash flow		**(10,672)**	(2,179)	**(1,853)**	407
Investing cash flows					
Net dividends received from other investments		**4**	12	**4**	12
Proceeds from disposal of property, plant and equipment		**0**	2,106	**0**	0
Purchase of property, plant and equipment		**(1,183)**	(6,211)	**(6)**	0
Proceeds from disposal of quoted investments		**103**	501	**103**	501
Interest received		**1,337**	1,640	**1,214**	1,816
Net investing cash flow		**261**	(1,952)	**1,315**	2,329
Financing cash flows					
Advances to subsidiary companies		**0**	0	**(6,252)**	(9,639)
Dividends paid		**0**	(4)	**0**	(4)
Net financing cash flow		**0**	(4)	**(6,252)**	(9,643)
Net change in cash and cash equivalents		**(10,411)**	(4,135)	**(6,790)**	(6,907)
Cash and cash equivalents at beginning of the financial year		**54,346**	58,481	**48,924**	55,831
Cash and cash equivalents at end of the financial year	33	**43,935**	54,346	**42,134**	48,924

The accounting policies and the notes on pages 12 to 43 form an integral part of these financial statements.

Notes to the financial statements for the financial year ended 31 March 2005

1 General information

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

The number of employees in the Group and in the Company at the end of the financial year is 425 (2004: 471) and 9 (2004: 10) respectively.

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

The Company's registered office is located at:

8-3 Jalan Segambut
51200 Kuala Lumpur

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

9 Jalan Zainal Abidin
10400 Penang

2 Financial risk management objectives and policies

The activities of the Group 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 objective of the Group is to create value for its shareholders by minimising the potential adverse impact of these risks on its financial position, performance and cash flows. Financial risk management is carried out through risk review, internal control systems and adequate insurance programmes.

(i) Interest rate risk

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

(ii) Credit risk

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

(iii) Market risk

The Group's exposure to market risk is minimal as the selling prices of its products are fixed above the costs of its key raw materials.

2 Financial risk management objectives and policies (continued)

(iv) Foreign currency exchange risk

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

(v) Liquidity and cash flow risk

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

3 Basis of preparation of the financial statements

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

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

4 Summary of significant accounting policies

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

(a) Basis of consolidation

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

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

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

4 Summary of significant accounting policies (continued)

(b) Property, plant and equipment

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

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

Freehold land is not depreciated.

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

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

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

4 Summary of significant accounting policies (continued)

(b) Property, plant and equipment (continued)

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

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

(c) Subsidiary companies

Investments in subsidiary companies are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

(d) Associated companies

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

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

In the Company's financial statements, investments in associated companies are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

(e) Investments

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

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

4 Summary of significant accounting policies (continued)

(f) Inventories

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

(g) Receivables

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

(h) Employee benefits

(i) Short term employee benefits

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

(ii) Defined contribution plans

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

(iii) Defined benefit plan

The Group operates an unfunded final salary defined benefit plan for its employees. The liability in respect of the defined benefit plan is the present value of the defined benefit obligations at the balance sheet date adjusted for actuarial gains/losses and past service cost. The defined benefit obligations are assessed using the projected unit credit method. Under this method, the cost of providing defined benefit obligations are charged to the income statement so as to spread the regular cost over the service lives of the employees in accordance with the advice of qualified actuaries who carry out a full valuation of the plan every three years. The Group determines the present value of defined benefit obligations with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date. The last actuarial valuation was carried out as at 31 March 2005.

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

4 Summary of significant accounting policies (continued)

(i) Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary company or associated company on distributions of retained profits to companies in the Group, and real property gains taxes payable on disposal of properties.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements unless the temporary differences arise from initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on temporary differences arising from investment in subsidiary companies and associated companies except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

(j) Cash and cash equivalents

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

(k) Revenue recognition

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

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

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

Rental income is recognised on an accrual basis.

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

4 Summary of significant accounting policies (continued)

(l) Foreign currency translations

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

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

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

Foreign currency	**31.3.2005** **RM**	31.3.2004 RM
1 United States Dollar	**3.7965**	3.7965

(m) Financial instruments

(i) Financial instruments recognised on the balance sheet

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

(ii) Fair value estimation for disclosure purposes

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

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

5 Revenue

	Group	
	2005	2004
	RM'000	RM'000
Sales of goods	**21,179**	19,526
Investment holding	**1,271**	1,569
Others	**5**	53
	22,455	21,148

	Company	
	2005	2004
	RM'000	RM'000
Interest income	**1,214**	1,816
Management fees	**240**	240
Rental income	**87**	75
Dividend income	**4**	12
	1,545	2,143

6 (Loss)/profit from operations

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

	Group		Company	
	2005	2004	**2005**	2004
	RM'000	RM'000	**RM'000**	RM'000
Depreciation of property, plant and equipment	**1,308**	839	**91**	92
Auditors' remuneration (note 10)	**43**	43	**12**	12
Rental of land, office equipment and buildings	**106**	81	**0**	0
Allowance for slow moving inventories	**124**	1,254	**0**	0
Provision for retirement benefits	**45**	40	**6**	5
Loss on disposal of property, plant and			**0**	0
equipment	**0**	1,626	**0**	0
Realised foreign exchange loss	**7**	9	**0**	0
Unrealised foreign exchange loss	**0**	3	**0**	0
Staff costs	**9,009**	8,506	**833**	853

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

6 (Loss)/profit from operations (continued)

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

	Group		Company	
	2005 RM'000	2004 RM'000	**2005 RM'000**	2004 RM'000
Gross dividends from:				
- shares quoted in Malaysia	**2**	10	**2**	10
- shares quoted outside Malaysia	**2**	2	**2**	2
Interest income	**1,337**	1,640	**1,214**	1,816
Rental income	**66**	69	**87**	75
Profit on disposal of investments	**33**	151	**33**	151
Bad debts recovered	**110**	58	**0**	0
Allowance for slow moving inventories written back	**398**	0	**0**	0
Provision for retirement benefit written back	**1**	1	**0**	0
Realised foreign exchange gain	**10**	49	**0**	0
Unrealised foreign exchange gain	**0**	56	**0**	0

7 Finance cost

Group

	2005 RM'000	2004 RM'000
Interest on bank overdrafts	**(75)**	(86)
Interest on short term borrowing	**(41)**	(44)
	(116)	(130)

8 Staff costs

	Group		Company	
	2005 RM'000	2004 RM'000	**2005 RM'000**	2004 RM'000
Wages, salaries and bonus	**7,736**	7,606	**728**	741
Defined contribution plan	**718**	508	**87**	91
Defined benefit plan	**45**	36	**6**	5
Other employee benefits	**510**	356	**12**	16
	9,009	8,506	**833**	853

9 Directors' remuneration

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

Non-executive Directors

Tan Sri Dato' Tan Hua Choon
Mr Lee Yu-Jin
Encik Aminuddin Yusof Lana
Encik Mohtar bin Abdullah (appointed on 17 November 2004)
Cik Yazween binti Dato' Yahya (resigned on 17 November 2004)

Executive Directors

Mr Lim Jian Hoo
Mr Thor Poh Seng

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

	Group		Company	
	2005	2004	**2005**	2004
Non-executive Directors	**RM'000**	RM'000	**RM'000**	RM'000
Fees	**46**	37	**42**	35
Other benefit plan	**0**	4	**0**	4
Executive Directors				
Salaries and bonus	**372**	341	**372**	341
Defined contribution retirement plan	**48**	41	**48**	41
	466	423	**462**	421

The estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash amounted to RM3,600 (2004: RM3,600) for the Group and the Company.

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

10 Auditors' remuneration

	Group		Company	
	2005 RM'000	2004 RM'000	**2005 RM'000**	2004 RM'000
Statutory audit				
- Group auditors	**34**	34	**12**	12
- Other auditors	**9**	9	**0**	0
	43	43	**12**	12
Other services				
- Group auditors	**3**	3	**3**	3
	46	46	**15**	15

11 Taxation

	Group		Company	
	2005 RM'000	2004 RM'000	**2005 RM'000**	2004 RM'000
In respect of the current financial year:				
- Malaysian income tax	**(89)**	(251)	**(80)**	(242)
Underaccrual in prior financial years				
- Malaysian income tax	**(10)**	(2)	**(10)**	0
	(99)	(253)	**(90)**	(242)

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

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

11 Taxation (continued)

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

	Group		Company	
	2005	2004	**2005**	2004
	RM'000	RM'000	**RM'000**	RM'000
(Loss)/profit from ordinary activities before taxation	**(6,592)**	(4,731)	**169**	(756)
Tax calculated at an income tax rate of 28% (2004: 28%)	**1,846**	1,325	**(47)**	212
Tax effects of:				
- expenses not deductible for tax purposes	**(87)**	(669)	**(31)**	(491)
- income not subject to tax	**9**	43	**10**	43
- double deduction incentives	**265**	0	**0**	0
Temporary differences not recognised:				
- unutilised tax losses	**(1,868)**	(822)	**0**	0
- excess of depreciation over capital allowances	**(325)**	(131)	**(8)**	0
- allowance for slow-moving inventories	**77**	0	**0**	0
- others	**(6)**	3	**(4)**	(6)
Overaccrual in prior financial years	**(10)**	(2)	**(10)**	0
Tax expense	**(99)**	(253)	**(90)**	(242)

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	
	2005	2004	**2005**	2004
	RM'000	RM'000	**RM'000**	RM'000
Tax losses carried forward	**32,813**	26,136	**0**	0
Unabsorbed capital allowances	**19,245**	17,574	**549**	545
Unabsorbed reinvestment allowances	**3,414**	1,136	**0**	0

12 Loss per share

Group

Basic loss per share

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

	2005	2004
Loss for the financial year (RM'000)	**(4,630)**	(3,412)
Weighted average number of ordinary shares in issue ('000)	**130,361**	130,361
Basic loss per share (sen)	**(3.6)**	(2.6)

Diluted loss per share

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

13 Share capital

Group and Company

	2005 RM'000	2004 RM'000
Authorised:		
200,000,000 ordinary shares of RM0.50 each	**100,000**	100,000
Issued and fully paid:		
130,361,472 ordinary shares of RM0.50 each	**65,180**	65,180

Notes to the financial statements
for the financial year ended 31 March 2005 (continued)

14 Reserves

	Group		Company	
	2005	2004	**2005**	2004
	RM'000	RM'000	**RM'000**	RM'000
Non-distributable reserves				
Share premium account	**13,296**	13,296	**13,296**	13,296
Property revaluation surplus	**812**	812	**0**	0
Capital reserve	**815**	815	**1,800**	1,800
	14,923	14,923	**15,096**	15,096
(Accumulated losses)/retained profits	**(6,635)**	(2,005)	**5,656**	5,577
	8,288	12,918	**20,752**	20,673

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

15 Retirement benefits

	Group		Company	
	2005	2004	**2005**	2004
	RM'000	RM'000	**RM'000**	RM'000
Current	**10**	24	**0**	0
Non-current	**921**	917	**48**	42
	931	941	**48**	42

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

	Group		Company	
	2005	2004	**2005**	2004
	RM'000	RM'000	**RM'000**	RM'000
As at 1 April	**941**	951	**42**	37
Charged to income statement	**45**	40	**6**	5
Benefits paid during the financial year	**(55)**	(50)	**0**	0
At 31 March	**931**	941	**48**	42

15 Retirement benefits (continued)

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

	Group		Company	
	2005	2004	**2005**	2004
	RM'000	RM'000	**RM'000**	RM'000
Present value of unfunded obligations	**863**	827	**42**	33
Unrecognised transitional liability	**68**	114	**6**	9
	931	941	**48**	42

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

	Group		Company	
	2005	2004	**2005**	2004
	RM'000	RM'000	**RM'000**	RM'000
Current service cost	**55**	55	**6**	6
Interest cost	**56**	51	**3**	2
Amortisation of transitional liability	**(66)**	(66)	**(3)**	(3)
	45	40	**6**	5
Included in:				
Cost of sales	**30**	26	**0**	0
Administrative expenses	**15**	14	**6**	5
	45	40	**6**	5

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

	Group		Company	
	2005	2004	**2005**	2004
	%	%	**%**	%
Discount rate	**7.0**	7.0	**7.0**	7.0
Expected rate of salary increases	**5.0**	5.0	**5.0**	5.0

16 Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Deferred tax assets are not recognised for deductible temporary differences in respect of which the Directors are of the opinion that it is not probable that the Company and its subsidiary company will be able to generate sufficient future taxable profits against which the deductible temporary differences can be utilised.

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

	Group	
	2005	2004
	RM'000	RM'000
As at 1 April/31 March	**25**	25

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

The net temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group		Company	
	2005	2004	**2005**	2004
	RM'000	RM'000	**RM'000**	RM
Excess of depreciation over capital allowances	**15,916**	14,755	**536**	507
Tax losses carried forward	**32,813**	26,136	**0**	0
Provision for retirement benefits	**931**	941	**48**	42
Allowance for doubtful debts	**815**	815	**815**	815
Allowance for slow-moving inventories	**980**	1,254	**0**	0
Others	**20**	(15)	**42**	35
	51,475	43,886	**1,441**	1,399

Malaysia Aica Berhad
(Company no: 8235 K)
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Notes to the financial statements for the financial year ended 31 March 2005 (continued)

17 Property, plant and equipment

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

Group 2005	Freehold/ leasehold land, at cost/ at valuation RM'000	Buildings at cost RM'000	Buildings at valuation RM'000	Reno-vation at cost RM'000	Plant and machinery at cost RM'000	Plant and machinery at valuation RM'000	Furniture, fittings and equipment at cost RM'000	Motor vehicles at cost RM'000	Spare parts and loose tools at cost RM'000	Total RM'000
Cost or valuation										
At 1 April 2004	9,402	9,582	1,555	90	25,548	85	2,996	1,015	397	50,670
Additions	0	9	0	0	1,078	0	96	0	0	1,183
At 31 March 2005	9,402	9,591	1,555	90	26,626	85	3,092	1,015	397	51,853
Accumulated depreciation										
At 1 April 2004	711	3,014	677	10	19,422	80	2,610	716	397	27,637
Charge for the financial year	47	192	31	18	808	3	99	110	0	1,308
At 31 March 2005	758	3,206	708	28	20,230	83	2,709	826	397	28,945
Net book value										
31 March 2005	8,644	6,385	847	62	6,396	2	383	189	0	22,908
31 March 2004	8,691	6,568	878	80	6,126	5	386	299	0	23,033

17 Property, plant and equipment (continued)

The Group's freehold and leasehold land comprise:

2005	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 2004/31 March 2005	**4,854**	**737**	**2,284**	**875**	**652**	**9,402**
Accumulated depreciation						
At 1 April 2004	**0**	**0**	**268**	**205**	**238**	**711**
Charge for the financial year	**0**	**0**	**27**	**9**	**11**	**47**
At 31 March 2005	**0**	**0**	**295**	**214**	**249**	**758**
Net book value						
31 March 2005	**4,854**	**737**	**1,989**	**661**	**403**	**8,644**
31 March 2004	4,854	737	2,016	670	414	8,691

Company 2005	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 2004	**5,660**	**1,626**	**93**	**493**	**167**	**8,039**
Additions	**0**	**0**	**0**	**6**	**0**	**6**
31March 2005	**5,660**	**1,626**	**93**	**499**	**167**	**8,045**
Accumulated depreciation						
At 1 April 2004	**205**	**466**	**44**	**456**	**135**	**1,306**
Charge for the financial year	**10**	**32**	**2**	**15**	**32**	**91**
At 31 March 2005	**215**	**498**	**46**	**471**	**167**	**1,397**
Net book value						
31 March 2005	**5,445**	**1,128**	**47**	**28**	**0**	**6,648**
31 March 2004	5,455	1,160	49	37	32	6,733

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

17 Property, plant and equipment (continued)

Company

The Company's freehold and leasehold land comprise:

2005	**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 2004/31 March 2005	**4,718**	**67**	**875**	**5,660**
Accumulated depreciation				
At 1 April 2004	**0**	**0**	**205**	**205**
Charge for the financial year	**0**	**0**	**10**	**10**
At 31 March 2005	**0**	**0**	**215**	**215**
Net book value				
31 March 2005	**4,718**	**67**	**660**	**5,445**
31 March 2004	4,718	67	670	5,455

The long term leasehold land and buildings with net book values of RM6,114,409 (2004: RM6,273,388) of a subsidiary company have been pledged as security for bank overdraft facilities.

Valuations

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

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

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

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

17 Property, plant and equipment (continued)

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	
	2005 RM'000	2004 RM'000	**2005 RM'000**	2004 RM'000
Freehold land	**215**	215	**59**	59
Long term leasehold land	**54**	55	**54**	55
Buildings	**611**	618	**44**	46
	880	888	**157**	160

18 Subsidiary companies

Company

	2005 RM'000	2004 RM'000
Unquoted shares, at cost	**23,025**	23,025
Accumulated impairment losses	**(10,154)**	(10,154)
	12,871	12,871

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

18 Subsidiary companies (continued)

The subsidiary companies are:

Name of company	Place of incorporation	Holding in equity By the Company 2005 %	2004 %	By subsidiary companies 2005 %	2004 %	Principal activities
Maica Wood Industries Sdn. Bhd.	Malaysia	64.4	64.4	Nil	Nil	Manufacture of knocked-down furniture parts and mouldings from rubber wood
Maicador Sdn. Bhd.	Malaysia	Nil	Nil	100	100	Manufacture of prefabricated doors and door frames
*Consolidated Leasing (M) Sdn. Bhd.	Malaysia	100	100	Nil	Nil	Investment holding and the financing of leases and hire-purchase
*Consolidated Factoring (M) Sdn. Bhd.	Malaysia	Nil	Nil	91.9	91.9	Factoring of debts
*Maritime Credits (Malaysia) Sdn. Bhd.	Malaysia	Nil	Nil	100	100	Granting of commercial credits
*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 2004 (continued)

19 Associated companies

	Group		Company	
	2005 RM'000	2004 RM'000	**2005 RM'000**	2004 RM'000
Unquoted shares, at cost	**696**	696	**696**	696
Accumulated impairment losses	**(24)**	(24)	**(24)**	(24)
	672	672	**672**	672
Share of post-acquisition retained profits less losses	**559**	618	**0**	0
Share of property revaluation surplus	**713**	713	**0**	0
	1,944	2,003	**672**	672
Represented by:				
Group's share of net tangible assets	**2,245**	2,304		
Discount on acquisition	**(301)**	(301)		
	1,944	2,003		

The associated companies are:

Name of company	Place of incorporation	Holding in equity 2005 %	Holding in equity 2004 %	Principal activities
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

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

20 Investments

Group

	2005 Cost RM'000	2005 Market value RM'000	2004 Cost RM'000	2004 Market value RM'000
Quoted shares in corporations, at cost				
- Malaysia	**65**	**13**	99	50
- Overseas	**0**	**0**	36	56
Total investment in shares	**65**	**13**	135	106
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	**397**		467	
Investment in club membership	**25**		25	
	422		492	

Company

	2005 Cost RM'000	2005 Market value RM'000	2004 Cost RM'000	2004 Market value RM'000
Quoted shares in corporations, at cost				
- Malaysia	**65**	**13**	99	50
- Overseas	**0**	**0**	36	56
	65	**13**	135	106
Unquoted shares in corporations, at cost	**50**		50	
Allowance for diminution in value of shares	**(50)**		(50)	
	0		0	
	65		135	

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

21 Inventories

Group

	2005 RM'000	2004 RM'000
At cost:		
Raw materials	**2,333**	1,354
Work in progress	**3,178**	2,755
Finished products	**853**	957
Consumable goods	**293**	359
	6,657	5,425
At net realisable value:		
Work in progress	**427**	0
Finished products	**45**	46
	7,129	5,471
Allowance for slow moving inventories	**(980)**	(1,254)
	6,149	4,217

22 Trade receivables

Group

All trade receivables are denominated in Ringgit Malaysia.

The credit terms extended to trade receivables range from payment in advance to 90 days (2004: payment in advance to 90 days).

23 Bills receivable

Group

The currency exposure profile of bills receivable is as follows:

	2005 RM'000	2004 RM'000
United States Dollar	**835**	764
Australian Dollar	**0**	151
	835	915

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

Notes to the financial statements
for the financial year ended 31 March 2005 (continued)

24 Investment in finance leases

Group

	2005	2004
	RM'000	RM'000
Amounts due:		
Within the next twelve months	**229**	229
Unearned lease income	**(14)**	(14)
	215	215
Allowance for doubtful debts	**(215)**	(215)
	0	0

25 Hire-purchase receivables

Group

	2005	2004
	RM'000	RM'000
Amounts due:		
Within the next twelve months	**2,268**	2,268
Unearned interest income	**(699)**	(699)
	1,569	1,569
Allowance for doubtful debts	**(1,569)**	(1,569)
	0	0

26 Factoring receivables

Group

	2005	2004
	RM'000	RM'000
Amounts financed	**805**	805
Allowance for doubtful debts	**(802)**	(802)
	3	3

27 Other receivables, deposits and prepayments

	Group		Company	
	2005	2004	**2005**	2004
	RM'000	RM'000	**RM'000**	RM'000
Other receivables	**49**	41	**9**	5
Deposits	**147**	213	**63**	62
Prepayments	**741**	109	**638**	0
	937	363	**710**	67
Allowance for doubtful debts	**(30)**	(30)	**0**	0
	907	333	**710**	67

All other receivables and deposits are denominated in Ringgit Malaysia.

28 Amounts due from subsidiary companies

Company

	2005	2004
	RM'000	RM'000
Amounts due from subsidiary companies	**23,865**	17,614
Allowance for doubtful debts	**(815)**	(815)
	23,050	16,799

Amounts due from subsidiary companies are denominated in Ringgit Malaysia.

Amounts due from subsidiary companies are primarily interest free, unsecured advances with no fixed terms of repayment except for advances to subsidiary companies, Maica Wood Industries Sdn. Bhd. and Maicador Sdn. Bhd., amounting to RM20,710,375 (2004: RM12,682,034) which bear interest at nil% (2004: 6%) per annum. The Company has indicated that it will not request for repayment of these advances within the next 12 months.

29 Deposits, cash and bank balances

	Group		Company	
	2005	2004	**2005**	2004
	RM'000	RM'000	**RM'000**	RM'000
Fixed deposits with licensed banks	**45,074**	52,449	**41,935**	48,259
Cash and bank balances	**1,541**	1,983	**199**	665
	46,615	54,432	**42,134**	48,924

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

29 Deposits, cash and bank balances (continued)

The effective interest rates as at balance sheet date of fixed deposits with licensed banks for the Group and Company range from 2.5% to 3.7% (2004: 2.6% to 4.0%) per annum.

The maturity of deposits of the Group and of the Company range from 1 to 119 days (2004: 29 to 366 days).

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

30 Trade and other payables

	Group		Company	
	2005 RM'000	2004 RM'000	**2005 RM'000**	2004 RM'000
Trade payables	**739**	1,407	**0**	0
Other payables	**554**	1,375	**16**	16
Accruals	**527**	451	**111**	89
	1,820	3,233	**127**	105

The credit terms extended by trade and other payables range from 7 to 60 days (2004: 7 to 60 days).

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

	Group		Company	
	2005 RM'000	2004 RM'000	**2005 RM'000**	2004 RM'000
Ringgit Malaysia	**1,771**	2,090	**127**	105
Singapore Dollar	**0**	18	**0**	0
United States Dollar	**49**	560	**0**	0
Euro	**0**	554	**0**	0
Japanese Yen	**0**	11	**0**	0
	1,820	3,233	**127**	105

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

31 Short term borrowing

Group

	2005 RM'000	2004 RM'000
Revolving credit	**1,000**	1,000

The short term borrowing is unsecured. The interest rates for the financial year range from 3.95% to 4.22% (2004: 4.25% to 4.38%) per annum.

The effective interest rate as at the balance sheet date is 4.17% (2004: 4.25%) per annum.

The short term borrowing is denominated in Ringgit Malaysia.

32 Bank overdrafts

Group

	2005 RM'000	2004 RM'000
Secured	**2,458**	0
Unsecured	**222**	86
	2,680	86

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

The interest rates for the financial year range from 4.15% to 6.75% (2004: 4.10% to 6.75%) per annum.

The effective interest rates as at the balance sheet date range from 4.15% to 6.75% (2004: 4.10% to 6.75%) per annum.

The bank overdrafts are denominated in Ringgit Malaysia.

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

33 Cash and cash equivalents

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

	Group		Company	
	2005 RM'000	2004 RM'000	**2005 RM'000**	2004 RM'000
Fixed deposits with licensed banks	**45,074**	52,449	**41,935**	48,259
Cash and bank balances	**1,541**	1,983	**199**	665
	46,615	54,432	**42,134**	48,924
Bank overdrafts (note 32)	**(2,680)**	(86)	**0**	0
	43,935	54,346	**42,134**	48,924

34 Segmental information

Group

Primary reporting format - Business segments

	2005				2004			
	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	**20,817**	**1,545**	**367**	**22,729**	19,172	2,143	406	21,721
Inter-segment revenue	**0**	**(274)**	**0**	**(274)**	0	(573)	0	(573)
External revenue	**20,817**	**1,271**	**367**	**22,455**	19,172	1,570	406	21,148

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

34 Segmental information (continued)

Group

Primary reporting format - Business segments (continued)

	2005				2004			
	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
Results								
Segment results (external)	**(6,452)**	**(65)**	**102**	**(6,415)**	(3,607)	(1,289)	424	(4,472)
Finance cost				**(116)**				(130)
Share of results of associated companies				**(61)**				(129)
Loss from ordinary activities before taxation				**(6,592)**				(4,731)
Taxation				**(99)**				(253)
Share of tax of associated companies				**2**				31
Loss from ordinary activities after taxation				**(6,689)**				(4,953)
Minority interests				**2,059**				1,541
Net loss for the financial year				**(4,630)**				(3,412)

Notes to the financial statements for the financial year ended 31 March 2005 (continued)

34 Segmental information (continued)

Group

Primary reporting format - Business segments (continued)

	2005				2004			
	Manufac-turing of wood products RM'000	**Investment holding RM'000**	**Others RM'000**	**Total RM'000**	Manufac-turing of wood products RM'000	Investment holding RM'000	Others RM'000	Total RM'000
Other information								
Segment assets	**23,877**	**53,873**	**2,353**	**80,103**	22,179	60,167	3,412	85,758
Unallocated asset				**6**				23
Total assets				**80,109**				85,781
Segment liabilities	**6,119**	**206**	**107**	**6,432**	4,985	169	105	5,259
Unallocated liabilities				**111**				270
Total liabilities				**6,543**				5,529
Capital expenditure	**1,177**	**6**	**0**	**1,183**	6,211	0	0	6,211
Depreciation	**1,209**	**94**	**5**	**1,308**	737	96	6	839
Non cash expenses other than depreciation:								
Provision for retirement benefits	**39**	**6**	**0**	**45**	35	5	0	40
Share of net loss of associates accounted for under equity method	**0**	**(61)**	**0**	**(61)**	0	(129)	0	(129)

34 Segmental information (continued)

Primary reporting format - Business segment (continued)

Intersegment revenue represents management fees chargeable to subsidiary companies, interest income and rental income (note 5). Segment assets consist of property, plant and equipment, operating assets and exclude tax recoverable. Segment liabilities represent operating liabilities and exclude taxation and deferred taxation.

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

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

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

35 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

	2005 RM'000	2004 RM'000
Interest income from subsidiary companies:		
- Maicador Sdn. Bhd.	**0**	191
- Maica Wood Industries Sdn. Bhd.	**0**	109
Rental income from subsidiary companies:		
- Maicador Sdn. Bhd.	**30**	30
- Maica Wood Industries Sdn. Bhd.	**4**	4
Management fees from subsidiary companies:		
- Maicador Sdn. Bhd.	**120**	120
- Maica Wood Industries Sdn. Bhd.	**120**	120

36 Approval of financial statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 20 July 2005.

Malaysia Aica Berhad
(Company no: 8235 K)
(Incorporated in Malaysia)

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

We, Lim Jian Hoo and Thor Poh Seng, being two of the Directors of Malaysia Aica Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 7 to 43 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 2005 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and the MASB approved accounting standards in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 20 July 2005.

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 7 to 43 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Teoh Beng Chong

Subscribed and solemnly declared by the abovenamed Teoh Beng Chong on 20 July 2005.

Before me

Chai Choon Kiat
Commissioner for Oaths