

Malaysia Aica Berhad

(Company no: 8235 K)

(Incorporated in Malaysia)

**Reports and accounts
for the financial year ended 31 March 2000**

Malaysia Aica Berhad

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(Incorporated in Malaysia)

Reports and accounts for the financial year ended 31 March 2000

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Malaysia Aica Berhad

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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

	Group RM 000	Company RM 000
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	16,624	15,201

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.

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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
Malaysia Aica Berhad				
Number of ordinary shares of RM0.50				
Each				
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.

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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.

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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

Report of the auditors to the members of Malaysia Aica Berhad

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We have audited the accounts set out on pages 7 to 31. 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.

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

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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

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Profit and loss accounts for the financial year ended 31 March 2000

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

The above profit and loss accounts are to be read in conjunction with the notes to the accounts on pages 10 to 31.

Auditors' report - pages 5 and 6.

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Balance sheets as at 31 March 2000

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

The above balance sheets are to be read in conjunction with the notes to the accounts on pages 10 to 31.

Auditors' report - pages 5 and 6.

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Consolidated cash flow statement for the financial year ended 31 March 2000

	Note	2000 RM'000	1999 RM'000
Operating cash flows			
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
Investing cash flows			
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		-	2,284
		2,259	
Net investing cash flow		2,410	39,685
Financing cash flows			
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)
Net change in cash and cash equivalents		4,586	38,228
Cash and cash equivalents at beginning of the financial year		50,230	12,002
Cash and cash equivalents at end of the financial year	28	54,816	50,230

The above consolidated cash flow statement is to be read in conjunction with the notes to the accounts on pages 10 to 31.

Auditors' report - pages 5 and 6.

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Notes to the accounts for the financial year ended 31 March 2000

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.

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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.

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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.

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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:

	2000	1999
	RM'000	RM'000
Rental income from subsidiary companies	15	15
Interest income from a subsidiary company	135	-
Management fees received and receivable from subsidiary companies	276	156

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

5 Operating profit before exceptional items

Operating profit before exceptional items is stated after charging:

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

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5 Operating profit before exceptional items (continued)

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM 000	RM'000
and crediting:				
Gross dividends from:				
- shares quoted in Malaysia	20	18	20	18
- shares quoted outside Malaysia	8	9	8	9
Interest income	2,259	2,284	2,209	2,182
Rental income	197	211	191	195
Profit on disposal of fixed assets	-	22	-	-
Gain on foreign exchange	-	186	-	-
Write back of retirement benefits	-	10	-	22
Bad debts recovered	165	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.

6 Exceptional items

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM 000	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)
	(47)	3,382	(46)	16,598

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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)
	(441)	(749)	(427)	(756)
On share of profit of an associated Company	-	37	-	-
	(441)	(712)	(427)	(756)

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	-	-
	21,751	13,555	431	715

8 Dividend

Group and Company

	2000 RM'000	1999 RM'000
Proposed final dividend of 2%(1999: 2%) less tax at 28% (1999: 28%)	782	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.

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10 Share capital

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

11 Reserves

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

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).

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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)

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14 Fixed assets

The details of fixed assets are as follows:

Group

	Freehold/ leasehold land, at cost/ at valuation RM'000	Buildings, at cost RM'000	Buildings, at valuation RM'000	Plant and machinery, at cost RM'000	Plant and machinery, at valuation RM'000	Furniture, Fittings And Equipment, at cost RM'000	Motor vehicles, at cost RM'000	Spare parts and loose tools, at cost RM'000	Total RM'000
2000									
Cost or valuation									
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
Depreciation									
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
Net book value									
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:

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

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14 Fixed assets (continued)

	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
1999									
Cost or valuation									
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>
Depreciation									
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
Net book value									
31 March 1999	12,810	6,810	1,033	4,069	20	617	446	15	26,588

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14 Fixed assets (continued)

The Group's freehold and leasehold land comprise:

	Freehold land, at cost RM'000	Freehold land, at valuation RM'000	Long term leasehold land, at cost RM'000	Long term leasehold land, at valuation RM'000	Short term leasehold Land, at cost RM'000	Short term leasehold land, at valuation RM'000	Total RM'000
1999							
Cost or valuation							
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
Depreciation							
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
Net book value							
31 March 1999	5,059	737	2,151	719	4,144	-	12,810

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
2000							
Cost or valuation							
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
Depreciation							
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
Net book value							
31 March 2000	9,092	1,288	57	1,663	106	2	12,208

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14 Fixed assets (continued)

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
2000					
Cost or valuation					
At 1 April	4,718	67	875	3,829	9,489
Additions	-	-	-	-	-
At 31 March	4,718	67	875	3,829	9,489
Depreciation					
At 1 April	-	-	156	154	310
Charge for the financial year	-	-	10	77	87
At 31 March	-	-	166	231	397
Net book value					
31 March 2000	4,718	67	709	3,598	9,092

	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
1999							
Cost or valuation							
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
Depreciation							
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
Net book value							
31 March 1999	9,179	1,321	59	1,750	133	56	12,498

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14 Fixed assets (continued)

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
1999					
Cost or valuation					
At 1 April/ 31 March	4,718	67	875	3,829	9,489
Depreciation					
At 1 April	-	-	146	77	223
Charge for the financial year	-	-	10	77	87
At 31 March	-	-	156	154	310
Net book value					
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.

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14 Fixed assets (continued)

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	-	-
	991	1,019	168	171

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

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15 Subsidiary companies (continued)

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)
	12,872	13,086
Amount due from subsidiary companies	7,050	7,904
Provision for doubtful debts	(815)	(815)
	6,235	7,089
	19,107	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)
	672	766	672	672
Share of post-acquisition unappropriated profits less losses	607	393	-	-
	1,279	1,159	672	672
Amount due from an associated company	-	6	-	-
	1,279	1,165	672	672

The associated companies are:

Name of Company	Place of incorporation	Holding in equity				Financial year end	Principal activities
		By the Company		By subsidiary companies			
		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

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17 Investments

Group

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

Company

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

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.

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18 Current assets

		Group		Company	
	Note	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
		<u>74,455</u>	<u>68,854</u>	<u>54,655</u>	<u>52,245</u>

19 Current liabilities

		Group		Company	
	Note	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	-	-
		<u>9,801</u>	<u>7,842</u>	<u>2,659</u>	<u>1,498</u>

20 Stocks

Group

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

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21 Trade debtors

Group

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

22 Investment in finance leases

Group

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

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>

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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	<u>(1,773)</u>	<u>(1,800)</u>
	<u>1</u>	<u>9</u>

25 Short term borrowings

Group

	2000 RM'000	1999 RM'000
Secured	2,166	770

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.

26 Bank overdrafts

Group

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

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.

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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:

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

28 Cash and cash equivalents

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

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

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29 Contingent liabilities

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

30 Lease commitments

Group

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

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

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31 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	31,184	31,792	2,920	3,055	29,531	25,427
Trading	-	13,357	-	589	-	-
Financing	535	942	(274)	520	4,832	6,225
Others	2,706	2,707	1,090	4,748	68,522	66,870
	34,425	48,798	3,736	8,912	102,885	98,522
Group's share in Associated Companies		(3,005)	(214)	(70)	(1,279)	(1,165)
	(2,790)					
	31,635	45,793	3,522	8,842	101,606	97,357

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

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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 accounts set out on pages 7 to 31 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

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 7 to 31 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

Before me

Commissioner for Oaths