

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in Malaysia Aica Berhad ("MAICA"), you should at once hand this Circular together with the accompanying Form of Proxy to the agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Notice convening an Extraordinary General Meeting ("EGM") of MAICA to be held immediately upon the conclusion of the Thirty-Third Annual General Meeting ("AGM") of MAICA which has been scheduled to be held at the Bunga Kenanga Room, Level 3, The Pan Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur at 10.30 a.m. on Friday, 20 September 2002 or any adjournment thereof is enclosed herein.

A Form of Proxy is enclosed which you are urged to complete and deposit at MAICA's Share Registrar, Messrs PFA Registration Services Sdn Bhd, Level 13, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time set for the AGM (or any adjournment thereof) in order for it to be valid. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Kuala Lumpur Stock Exchange takes no responsibility for the information contained in this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or reliance upon the whole or any part of the contents of this Circular.



MALAYSIA AICA BERHAD

Company No. 8235-K
(Incorporated in Malaysia under the Companies Act, 1965)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED BONUS ISSUE OF 21,726,912 NEW ORDINARY SHARES OF RM0.50 EACH IN MAICA ("BONUS SHARES") TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY FIVE (5) ORDINARY SHARES OF RM0.50 EACH IN MAICA HELD ON A DATE TO BE DETERMINED AND ANNOUNCED LATER

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

CIMB

Commerce International Merchant Bankers Berhad

Company Number 18417-M

Last day and time for lodging the Form of Proxy	:	Wednesday, 18 September 2002 at 10.30 a.m.
Date and time of EGM	:	Friday, 20 September 2002 immediately upon the conclusion of the AGM which has been scheduled at 10.30 a.m. on even date or any adjournment thereof

DEFINITIONS

Unless the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	:	The Companies Act, 1965
“AGM”	:	Annual General Meeting
“Board” or “Directors”	:	The Board of Directors of MAICA
“Bonus Shares”	:	The new MAICA Shares to be issued pursuant to the Proposed Bonus Issue
“Central Depositories Act”	:	The Securities Industry (Central Depositories) Act 1991, and includes any statutory modification, amendment or re-enactment thereof for the time being in force
“CDS”	:	Central Depository System
“CIMB”	:	Commerce International Merchant Bankers Berhad
“EGM”	:	Extraordinary General Meeting
“Entitlement Date”	:	The date at the close of business on which shareholders of MAICA must be registered in order to participate in any dividends, rights, allotments and/or other distributions
“KLSE”	:	Kuala Lumpur Stock Exchange
“MAICA” or “Company”	:	Malaysia Aica Berhad
“MAICA Group” or “Group”	:	MAICA and its subsidiaries
“MAICA Share(s)”	:	Ordinary share(s) of RM0.50 each in MAICA
“Market Day”	:	Any day between Monday and Friday (inclusive) which is not a public holiday and on which the KLSE is open for trading of securities
“MCD”	:	Malaysian Central Depository Sdn Bhd
“NTA”	:	Net tangible assets
“Proposed Bonus Issue”	:	The proposed bonus issue of 21,726,912 Bonus Shares on the basis of one (1) Bonus Share for every five (5) MAICA Shares held on a date to be determined and announced later
“Record of Depositors”	:	A record provided by MCD to the Company under Chapter 24.0 of the Rules of the MCD as defined in Section 2 of the Central Depositories Act
“RM”	:	Ringgit Malaysia
“SC”	:	Securities Commission

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MALAYSIA AICA BERHAD
Company No. 8235-K
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

8-3, Jalan Segambut
51200 Kuala Lumpur

29 August 2002

Directors:

Tan Sri Dato' Tan Hua Choon (*Chairman*)
Lim Jian Hoo (*Executive Director*)
Thor Poh Seng (*Executive Director*)
Ong Euwan George
Lee Yu- Jin
Yazween Binti Dato' Yahya

To: The Shareholders of Malaysia Aica Berhad

Dear Sir/Madam

PROPOSED BONUS ISSUE OF 21,726,912 BONUS SHARES TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY FIVE (5) MAICA SHARES HELD ON A DATE TO BE DETERMINED AND ANNOUNCED LATER

1. INTRODUCTION

On 23 July 2002, CIMB announced on behalf of the Board that the Company proposes to implement a bonus issue of 21,726,912 Bonus Shares on the basis of one (1) Bonus Share for every five (5) MAICA Shares held on a date to be determined and announced later.

The purpose of this Circular is to provide you with details of the Proposed Bonus Issue and to seek your approval for the resolution relating to the Proposed Bonus Issue to be tabled at the forthcoming EGM. Shareholders of MAICA are requested to read carefully the contents of this Circular before voting on the resolution to give effect to the Proposed Bonus Issue.

2. DETAILS OF THE PROPOSED BONUS ISSUE

The Proposed Bonus Issue shall involve the issuance of 21,726,912 Bonus Shares on the basis of one (1) Bonus Share for every five (5) MAICA Shares which will be allotted and credited into the CDS accounts of the shareholders of MAICA whose names appear on the Record of Depositors at the close of business, on a date to be determined and announced later by the Board.

The number of Bonus Shares was arrived at based on the existing share capital of the Company as at the date hereof, comprising 108,634,560 MAICA Shares.

A sum of up to RM10,863,456 will be capitalised out of the retained earnings of the Company for the purpose of the Proposed Bonus Issue. Based on the latest audited accounts of MAICA for the financial year ended 31 March 2002, MAICA has RM17.1 million standing in its retained earnings account, at the Company level, which is sufficient for the purpose of the Proposed Bonus Issue.

The Bonus Shares to be issued pursuant to the Proposed Bonus Issue shall, upon allotment and issue, rank pari passu in all respects with the existing issued and fully paid-up MAICA Shares save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or other distributions where the Entitlement Date precedes the date of allotment of the Bonus Shares.

As the ordinary shares of MAICA are prescribed securities, the Bonus Shares will be credited into respective CDS accounts of the entitled shareholders. No physical share certificates will be issued for the Bonus Shares. The Company will allot and issue the Bonus Shares and despatch notices of allotment to the entitled shareholders within ten (10) Market Days from the Entitlement Date for the Proposed Bonus Issue.

Thereafter, application to seek the approval of the KLSE for the listing of and quotation for the Bonus Shares will be sought within ten (10) Market Days from the Entitlement Date for the Proposed Bonus Issue.

Save for the Proposed Bonus Issue, there are no outstanding proposals which have been announced but have not been completed prior to the printing of this Circular.

3. RATIONALE FOR THE PROPOSED BONUS ISSUE

The Proposed Bonus Issue will enable the Company to meet the minimum capital requirement of RM60,000,000 set by the SC for companies listed on the Main Board of the KLSE.

The Proposed Bonus Issue will also increase the capital base of the MAICA Group to RM65,180,736 comprising 130,361,472 MAICA Shares, a level which will better reflect the Group's current scale of operation. It is also intended to reward the shareholders of MAICA for their continuous support of the Company, by providing the existing shareholders greater participation in the Company's equity in terms of the number of MAICA Shares held.

4. FINANCIAL EFFECTS OF THE PROPOSED BONUS ISSUE

The financial effects of the Proposed Bonus Issue are as follows:

(i) Issued and paid-up share capital

The effects of the Proposed Bonus Issue on the issued and paid-up share capital of the Company are as follows:

	No. of MAICA Shares	RM'000
Issued and paid-up share capital as at the date hereof	108,634,560	54,317
To be issued pursuant to the Proposed Bonus Issue	21,726,912	10,863
Enlarged issued and paid-up share capital	130,361,472	65,180

(ii) NTA

The Proposed Bonus Issue will not have any material effect on the NTA of MAICA, on the Company and Group levels, except that the NTA per share will be correspondingly diluted as a result of the increase in the Company's issued and paid-up share capital.

The proforma effects of the Proposed Bonus Issue on the NTA of MAICA on the Company and Group levels, based on the audited financial statements of MAICA, as at 31 March 2002, had the Proposed Bonus Issue been effected on that date, are as follows:

	<----- Company ----->		<----- Group ----->	
	Audited as at 31 March 2002 RM'000	After Proposed Bonus Issue RM'000	Audited as at 31 March 2002 RM'000	After Proposed Bonus Issue RM'000
Share capital	54,317	65,180	54,317	65,180
Retained profits	17,115	6,252	14,912	4,049
Share premium	13,296	13,296	13,296	13,296
Other reserves	1,800	1,800	1,924	1,924
Shareholders' funds	86,528	86,528	84,449	84,449
Less: Intangible assets	-	-	(926)	(926)
NTA	86,528	86,528	83,523	83,523
NTA per share (RM)	0.79	0.66	0.77	0.64

(iii) Earnings

The Proposed Bonus Issue is not expected to have any material effect on the earnings of the MAICA Group for the financial year ending 31 March 2003 except that the earnings per share of MAICA will be correspondingly reduced as a result of the increase in the issued and paid-up share capital of the Company.

(iv) Dividends

The Board has not proposed any dividend for the financial year ended 31 March 2002. Barring unforeseen circumstances, any dividends to be declared by MAICA for the financial year ending 31 March 2003 would depend on, amongst others, the profitability and cashflow position of the Group. The Proposed Bonus Issue is not expected to have any material effect on the dividend policy of the Company.

(v) Substantial shareholders

The effects of the Proposed Bonus Issue on the shareholdings of substantial shareholders of MAICA as at 1 August 2002 are as follows:

		Before Proposed Bonus Issue				After Proposed Bonus Issue			
		<----- Direct ----->		<- Indirect ->		<----- Direct ----->		<- Indirect ->	
		No. of MAICA Shares	%	No. of MAICA Shares	%	No. of MAICA Shares	%	No. of MAICA Shares	%
Tan Sri Dato' Choon	Tan Hua	18,868,321	17.37	-	-	22,641,985	17.37	-	-
Permodalan Berhad	Nasional	10,270,953	9.45	-	-	12,325,144	9.45	-	-
Yayasan Bumiputra	Pelaburan	-	-	*10,270,953	9.45	-	-	*12,325,144	9.45

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

5. CONDITIONS OF THE PROPOSED BONUS ISSUE

The Proposed Bonus Issue is subject to approvals being obtained from the following:

- (i) the KLSE, for the listing of and quotation for the Bonus Shares; and
- (ii) the shareholders of MAICA at an EGM to be convened.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save for the respective entitlements of the Directors and major shareholders of MAICA pursuant to the Proposed Bonus Issue, which entitlement is also available to all the other shareholders of MAICA, none of the Directors or major shareholders of MAICA or persons connected to the Directors or major shareholders of MAICA have any interest, direct or indirect, in the Proposed Bonus Issue.

7. DIRECTORS' RECOMMENDATION

Having considered the rationale for the Proposed Bonus Issue and after careful deliberation, your Directors are of the opinion that the Proposed Bonus Issue is in the best interest of the Company and accordingly, recommend that you vote in favour of the resolution to be tabled at the forthcoming EGM to give effect to the Proposed Bonus Issue.

8. EXTRAORDINARY GENERAL MEETING

An EGM, the notice of which is enclosed in this Circular, will be held at the Bunga Kenanga Room, Level 3, The Pan Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur immediately upon the conclusion of the Thirty-Third AGM of the Company which has been scheduled to be held at 10.30 a.m. on Friday, 20 September 2002 (or any adjournment thereof) for the purpose of considering and, if thought fit, passing the resolution to give effect to the Proposed Bonus Issue.

You will find enclosed with this Circular, a Form of Proxy which (if you are unable to attend the EGM) you are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event, so as to arrive at the Company's Share Registrar, Messrs PFA Registration Services Sdn Bhd, Level 13, Uptown 1, No. 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan, as soon as possible and in any event, not less than forty-eight (48) hours before the time and date of any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to the attached appendices for further information.

Yours faithfully
for and on behalf of the Board of
MALAYSIA AICA BERHAD

Tan Sri Dato' Tan Hua Choon
Chairman

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of MAICA and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

2. CONSENT

CIMB has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

3. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by MAICA and its subsidiaries during the two (2) years preceding the date of this Circular.

4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Neither MAICA nor its subsidiaries are engaged in any material litigation, claims and arbitration either as plaintiff or defendant, which will have a material effect on the financial position of the Group. The Directors are not aware of any proceedings pending or threatened against MAICA or its subsidiaries or any facts likely to give rise to any proceedings which might materially and adversely affect the position, business or title to or possession of any of the properties of the Company.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company during normal office hours between Monday and Friday (except for public holidays) from the date of this Circular up to the date of the EGM:

- (i) The Memorandum and Articles of Association of the Company;
- (ii) Audited consolidated financial statements of MAICA for the 3 financial years ended 31 March 2002; and
- (iii) The letter of consent as referred to in paragraph 2 above.



MALAYSIA AICA BERHAD

Company No. 8235-K
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Malaysia Aica Berhad ("MAICA" or the "Company") will be held immediately upon the conclusion of the Thirty-Third Annual General Meeting of the Company which has been scheduled to be held at the Bunga Kenanga Room, Level 3, The Pan Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur at 10.30 a.m. on Friday, 20 September 2002 or any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION - PROPOSED BONUS ISSUE OF 21,726,912 NEW ORDINARY SHARES OF RM0.50 EACH IN MAICA ("BONUS SHARES") TO BE CREDITED AS FULLY PAID-UP ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY FIVE (5) ORDINARY SHARES OF RM0.50 EACH IN MAICA ("MAICA SHARES") HELD

"THAT, subject to the approval of the Kuala Lumpur Stock Exchange ("KLSE") for the listing of and quotation for 21,726,912 Bonus Shares to be issued hereunder and the approval of such other relevant authorities as may be required, approval be and is hereby given for the Company to capitalise a sum of up to RM10,863,456 from its retained earnings account, which stood at RM17.1 million as per the audited accounts for the financial year ended 31 March 2002 **AND THAT** the Directors be and are hereby authorised to apply the said sum in paying up in full at par for 21,726,912 Bonus Shares which shall rank pari passu in all respects with the existing MAICA Shares save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date (namely the date as at the close of business on which the shareholders must be registered in order to be entitled to any dividends, rights, allotments and/or other distributions) of which is prior to the date of allotment of the Bonus Shares, and to issue and allot such shares so paid-up to the shareholders of the Company whose names appear in the Record of Depositors at the close of business on a date to be determined by the Directors, in the proportion of one (1) Bonus Share for every five (5) MAICA Shares then held, fractional entitlements of which shall be dealt with by the Board of Directors in such manner as the Directors in their absolute discretion think fit and expedient and in the interest of the Company, **AND THAT** the Bonus Shares so allotted shall be treated for all purposes as an increase of the capital held by such shareholder and not as income **AND THAT** the Directors of the Company be and are hereby authorised to assent to any conditions, modifications, variations and/or amendments that may be required by the relevant authorities and to take all steps and do all acts and things in any manner as the Directors may deem fit or expedient to give full effect to the said bonus issue."

BY ORDER OF THE BOARD

Lim Lai Sam
Company Secretary

Kuala Lumpur
29 August 2002

Notes:

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



MALAYSIA AICA BERHAD

Company No. 8235-K
(Incorporated in Malaysia under the Companies Act, 1965)

FORM OF PROXY

I/We
(FULL NAME IN BLOCK LETTERS)

of
(FULL ADDRESS)

a member of Malaysia Aica Berhad, hereby appoint
(FULL NAME IN BLOCK LETTERS)

of
(FULL ADDRESS)

and/or failing him/her
(FULL NAME IN BLOCK LETTERS)

of
(FULL ADDRESS)

and/or failing the above, the **Chairman of the meeting** as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held immediately upon the conclusion of the Thirty-Third Annual General Meeting of the Company which has been scheduled to be held at the Bunga Kenanga Room, Level 3, The Pan Pacific Hotel Kuala Lumpur, Jalan Putra, 50350 Kuala Lumpur at 10.30 a.m. on Friday, 20 September 2002 or any adjournment thereof.

My/Our proxy/proxies is/are to vote as indicated below:-

ORDINARY RESOLUTION	FOR	AGAINST
PROPOSED BONUS ISSUE		

(Please indicate with an "X" at the relevant column as to how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

Number of ordinary shares held

As witness my/our hand this..... day of 2002

Signature/Common Seal

Notes:

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

Fold this flap for sealing

Then fold here

AFFIX
STAMP

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

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