

FINANCIAL STATEMENTS

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The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 May 2003.

PRINCIPAL ACTIVITIES

The Company is an investment holding and management company.

The principal activities of the subsidiary companies are disclosed in Note 47 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit after taxation	9,511,089	6,739,126
Minority interests	(7,238,024)	—
Profit attributable to shareholders	2,273,065	6,739,126

DIVIDENDS

Since the end of the previous financial year, the Company had, on 20 December 2002, paid a final dividend of 4 sen, less income tax, amounting to RM3,389,362 for the financial year ended 31 May 2002 as proposed in the Directors' Report for that financial year.

The Directors proposed a final gross dividend on ordinary shares of 4 sen, less income tax, amounting to RM3,389,478 in respect of the financial year ended 31 May 2003 subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up share capital of the Company was increased from 120,503,195 ordinary shares of RM1 each to 120,507,195 ordinary shares of RM1 each by an allotment of 4,000 new ordinary shares of RM1 each at an option price of RM1.29 pursuant to the Company's Employees' Share Option Scheme.

The Company did not issue any debentures during the financial year.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting held on 24 February 1999, the shareholders approved the implementation of an ESOS for the benefits of eligible employees and executive Directors of the Group. The ESOS became effective on 7 April 1999 when the last of the requisite approvals was obtained.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (continued)

The salient features of the ESOS are as follows:-

- (a) The maximum number of new shares of the Company which may be offered under the ESOS shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS.
- (b) The ESOS shall be in force for a period of 5 years from 7 April 1999 to 6 April 2004.
- (c) In order to qualify for participation in the ESOS, eligible employees must have attained the age of at least eighteen years and is a confirmed employee with at least one year of continuous service with any company in the Group, including service during probation periods, if any.
- (d) Eligible employees who may be considered for participation in the ESOS shall be those who fall within any of the following categories. Subject to the minimum of 1,000 new shares, the maximum allowable allotment of new shares that may be offered to any employee under the ESOS shall be the amount set opposite their respective categories:-

Categories of eligible employees	Maximum allowable allotment of new shares per eligible employee
Executive Director	150,000
Division Head (Grade 1)	100,000
General/Senior Manager (Grades 1-4)	70,000
Manager (Grades 5-6)	50,000
Executive 1 (Grades 7-8)	30,000
Executive 2 (Grades 9-12)	18,000
Management Support & Operative (Grades 13-15)	12,000

The maximum number of new shares that may be offered to an eligible employee in accordance with the terms of this ESOS shall be based on the category and length of service completed by the eligible employee.

- (e) The option price for each new share shall be the average of the mean market quotation of the shares of the Company as shown in the Daily Official List issued by the Kuala Lumpur Stock Exchange for the 5 preceding market days immediately prior to the date of offer or the last transacted price of the shares of the Company on the market day immediately prior to the date of offer, whichever is higher and in no event should be lower than the par value of the shares of the Company.
- (f) Any share option exercised shall be in multiples of and not less than 1,000 shares and in accordance with the limits set out in the table below:-

Number of shares comprised in option granted	Maximum percentage of option exercisable in each particular year of the ESOS				
	Year 1	Year 2	Year 3	Year 4	Year 5
Below 20,000	100%	—	—	—	—
20,000 to less than 100,000	40%*	30%	30%**	—	—
100,000 and above	20%	20%	20%	20%	20%

* 40% or 20,000 shares whichever is higher

** 30% or the remaining number of shares

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (continued)

Year 1 shall commence from the date of the coming into force of the date of offer and the subsequent years shall be the anniversary of the previous year. Options exercisable in a particular year but not exercised may be carried forward to the following year for exercise and shall not be taken into account in determining the limits set out in the table above but shall be subject to the option period and the ESOS remaining in force. Any option unexercised or unexercisable due to the limits set out in the table above after the expiration of the option period would automatically lapse and be of no effect.

- (g) The new shares to be allotted upon any exercise of an option will upon issue and allotment rank pari passu in all respects with the then existing issued ordinary shares of the Company.

The employees to whom the options have been granted shall not be entitled to participate in any other share option or similar scheme administered by any other company in the Group. They are also not entitled to any right to participate by virtue of the options in any share issue of any other company.

The movements in the unissued shares under the ESOS which have been granted and their exercise price per share during the financial year were as follows:-

	Options over Ordinary Shares of RM1 each				
	Balance at 1.6.2002	Granted	Exercised	Forfeited	Balance at 31.5.2003
Number of unissued shares under the ESOS at an exercise price of:-					
- RM1.476 per share	1,861,000	—	—	(99,000)	1,762,000
- RM3.680 per share	720,000	—	—	(127,000)	593,000
- RM1.470 per share	658,000	—	—	(107,000)	551,000
- RM1.290 per share	1,706,000	—	(4,000)	(633,000)	1,069,000
- RM1.000 per share	—	990,000	—	(50,000)	940,000
	4,945,000	990,000	(4,000)	(1,016,000)	4,915,000

The Companies Commission of Malaysia had granted an exemption to the Company from having to disclose the name of the eligible employees who have been granted with options during the financial year and the number of options granted to them in accordance with Section 169 (11)(a) of the Companies Act, 1965 except for eligible employees who have been granted with 100,000 options and more during the financial year. None of the eligible employees had been granted with 100,000 options and more during the financial year.

SHARE BUY-BACK

At the Extraordinary General Meeting held on 13 November 2002, the shareholders of the Company by an ordinary resolution authorised the Directors to buy back the Company's own shares based on the following terms:-

- The number of shares to be purchased shall not exceed 9,233,000 ordinary shares of RM1 each, being the number of ordinary shares which when aggregated with the ordinary shares already purchased and held as treasury shares of 2,817,000 shares by the Company, representing ten (10) per centum of its existing issued and paid up share capital of the Company.
- The amount to be utilised shall not exceed the total retained profits and share premium of the Company as at 31 May 2002 of RM4,062,757 and RM75,050,674 respectively.
- The Directors may retain the shares so purchased as treasury shares as defined under Section 67A of the Companies Act, 1965 and may resell such treasury shares in a manner they deemed fit in accordance with the Companies Act, 1965 and the applicable guidelines of the Kuala Lumpur Stock Exchange.

SHARE BUY-BACK (continued)

The Company did not purchase any of its own shares during the financial year. As at 31 May 2003, a total of 2,817,000 ordinary shares were held as treasury shares. None of the treasury shares were resold during the financial year.

DIRECTORS

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

- YABM Raja Tun Mohar bin Raja Badiozaman *(Chairman, deceased on 8.6.2003)*
- Y. Bhg. Dato' Ahmad Johari bin Tun Abdul Razak *(Group Managing Director. Redesignated as Executive Chairman on 30.7.2003)*
- Y. Bhg. Dato' Siew Ka Wei *(Deputy Group Managing Director. Redesignated as Group Managing Director on 30.7.2003)*
- Y. Bhg. Dato' Siew Nim Chee *(Advisor)*
- Y. Bhg. Tan Sri Dato' Dr Lin See Yan
- Y. Bhg. Datuk Haji Mohamed Al-Amin bin Haji Abdul Majid, JP
- Y. Bhg. Dato' Mohd Ismail bin Che Rus
- Chan Thye Seng
- Chieng Ing Huong

Y. Bhg. Dato' Siew Nim Chee retires in accordance with Section 129(2) of the Companies Act, 1965. The Board recommends that Y. Bhg. Dato' Siew Nim Chee be re-appointed as Director of the Company pursuant to Section 129(6) of the Companies Act, 1965, to hold office until the conclusion of the next Annual General Meeting.

In accordance with Article 81 of the Company's Articles of Association, Y. Bhg. Dato' Ahmad Johari bin Tun Abdul Razak and Y. Bhg. Dato' Siew Ka Wei retire from the Board by rotation at the forthcoming Annual General Meeting. Being eligible, they have offered themselves for re-election.

DIRECTORS' INTERESTS

Except as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 which is stated below, no other Directors who held office at the end of the financial year had any beneficial interests in the ordinary shares of the Company and related corporations during the financial year ended 31 May 2003:-

	----- Number of Ordinary Shares of RM1 each -----				
	Balance at 1.6.2002	Bought	Options exercised	Sold	Balance at 31.5.2003
Shares of the Company					
Direct Interests					
YABM Raja Tun Mohar bin Raja Badiozaman	20,791	—	—	—	20,791
Y. Bhg. Dato' Ahmad Johari bin Tun Abdul Razak	499,126	—	—	—	499,126
Y. Bhg. Dato' Siew Ka Wei	4,121,000	244,000	—	(585,000)	3,780,000
Y. Bhg. Dato' Siew Nim Chee	846,000	4,692	—	(850,692)	—
Y. Bhg. Tan Sri Dato' Dr Lin See Yan	100,000	—	—	—	100,000

DIRECTORS' INTERESTS (continued)

	Balance at 1.6.2002	Number of Ordinary Shares of RM1 each Bought	Options exercised	Sold	Balance at 31.5.2003
Shares of the Company (continued)					
Indirect Interests					
YABM Raja Tun Mohar bin Raja Badiozaman	348,947	—	—	—	348,947
Y. Bhg. Dato' Siew Ka Wei	11,396,427	1,539,384	—	(5,050,692)	7,885,119
Y. Bhg. Dato' Siew Nim Chee	14,671,427	1,778,692	—	(4,785,000)	11,665,119
Chan Thye Seng	14,999,489	—	—	—	14,999,489
Shares of the subsidiary companies					
Nylex (Malaysia) Berhad					
Direct Interests					
Y. Bhg. Dato' Ahmad Johari bin Tun Abdul Razak	150,000	—	—	—	150,000
Y. Bhg. Tan Sri Dato' Dr Lin See Yan	50,000	—	—	—	50,000
Indirect Interests					
Y. Bhg. Dato' Siew Ka Wei	116,587,972	—	—	—	116,587,972
Y. Bhg. Dato' Siew Nim Chee	116,587,972	—	—	—	116,587,972
Chieng Ing Huong	28,000	—	—	—	28,000
OrganiGro Sdn. Bhd.					
Indirect Interests					
YABM Raja Tun Mohar bin Raja Badiozaman	416,667	—	—	—	416,667
MSTi Corporation Sdn. Bhd.					
Indirect Interests					
Y. Bhg. Dato' Siew Ka Wei	1,840,000	—	—	—	1,840,000
Y. Bhg. Dato' Siew Nim Chee	1,840,000	—	—	—	1,840,000

Indirect interests represent shares held by persons connected to the Directors and/or by companies in which the Directors and/or connected persons are entitled to exercise or control the exercise of not less than 15% of the voting rights in the companies.

DIRECTORS' INTERESTS (continued)

The movements of share options under the ESOS during the financial year of the following Directors who have been granted share options under the ESOS were as follows:-

	----- Options over Ordinary Shares of RM1 each -----			
	Balance at 1.6.2002	Granted	Exercised	Balance at 31.5.2003
Y. Bhg. Dato' Ahmad Johari bin Tun Abdul Razak	150,000	—	—	150,000
Y. Bhg. Dato' Siew Ka Wei	120,000	—	—	120,000
Y. Bhg. Dato' Siew Nim Chee	80,000	—	—	80,000

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 30 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 the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling any 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 except for the share options granted to Y. Bhg. Dato' Ahmad Johari bin Tun Abdul Razak, Y. Bhg. Dato' Siew Ka Wei and Y. Bhg. Dato' Siew Nim Chee pursuant to the ESOS which remain unexercised as at the end of the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY**(I) AS AT THE END OF THE FINANCIAL YEAR**

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:-
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) 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 their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:-
 - (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)**(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)**

(d) In the opinion of the Directors:-

- (i) there has not arisen 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; and
- (ii) 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 will or may substantially affect the abilities of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS AND EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The significant events and events subsequent to the balance sheet date are disclosed in Notes 43 and 44 to the financial statements.

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

Dato' Ahmad Johari bin Tun Abdul Razak
Director

Dato' Siew Ka Wei
Director

Petaling Jaya
25 September 2003

In the opinion of the Directors, the financial statements set out on pages 35 to 97 have been drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of:-

- (i) the state of affairs of the Group and of the Company as at 31 May 2003 and of their results for the financial year then ended; and
- (ii) the cash flows of the Group and of the Company for the financial year ended 31 May 2003.

On behalf of the Board,

Dato' Ahmad Johari bin Tun Abdul Razak
Director

Dato' Siew Ka Wei
Director

Petaling Jaya
25 September 2003

STATUTORY DECLARATION

I, Dato' Ahmad Johari bin Tun Abdul Razak, being the Director primarily responsible for the financial management of Ancom Berhad, do solemnly and sincerely declare that the financial statements set out on pages 35 to 97 are, to the best of my knowledge and belief, 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.

Subscribed and solemnly
declared by the abovenamed at
Petaling Jaya, Selangor
Darul Ehsan this
25 September 2003

Dato' Ahmad Johari bin Tun Abdul Razak

Before me:-

G. Vijayan @ Baskaran PPN
Pesuruhjaya Sumpah (B014)
Malaysia

REPORT OF THE AUDITORS TO THE MEMBERS OF ANCOM BERHAD

ANCOM BERHAD (8440-M)

We have audited the financial statements set out on pages 35 to 97. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:-

- (a) the financial statements have been properly drawn up in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 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 of the Group and of the Company; and
 - (ii) the state of affairs of the Group and of the Company as at 31 May 2003 and of their results and cash flows for the financial year then ended; 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 said Act.

We have considered the financial statements and the auditors' reports of the subsidiary companies of which we have not acted as auditors, as indicated in Note 47 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

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

BDO Binder
AF : 0206
Chartered Accountants

Siew Kah Toong
1045/03/04 (J)
Partner

Kuala Lumpur
25 September 2003

AS AT 31 MAY 2003

		Group		Company	
	NOTE	2003 RM	2002 RM	2003 RM	2002 RM
ASSETS EMPLOYED					
PROPERTY, PLANT AND EQUIPMENT	6	289,203,694	260,675,967	28,528,385	28,209,365
DEVELOPMENT PROPERTIES	7	20,516,196	20,360,281	—	—
INVESTMENT PROPERTY		969,164	—	—	—
INVESTMENT IN SUBSIDIARY COMPANIES	8	—	—	262,234,475	268,813,337
AMOUNTS OWING BY SUBSIDIARY COMPANIES	9	—	—	23,615,634	9,226,361
INVESTMENT IN ASSOCIATED COMPANIES	10	14,807,551	14,972,944	5,569,945	3,903,275
OTHER INVESTMENTS – At Cost	11	44,278,856	44,309,151	40,698,856	40,698,856
INTANGIBLE ASSETS	12	9,126,199	11,964,918	—	—
DEFERRED TAX ASSETS	25	8,190,000	7,078,000	—	—
GOODWILL ON CONSOLIDATION	13	57,548,957	59,027,635	—	—
CURRENT ASSETS					
Development properties	7	5,753,876	6,375,076	—	—
Inventories	14	121,967,001	123,823,598	—	—
Receivables	15	287,365,652	249,208,127	329,808	1,934,033
Amounts owing by subsidiary companies	16	—	—	12,941,402	3,385,915
Amounts owing by associated companies	17	947,887	844,266	426,044	—
Tax recoverable		9,172,918	7,078,056	3,576,109	2,711,827
Short term deposits	18	20,172,058	23,301,236	—	—
Cash and bank balances		50,478,255	32,552,146	81,962	27,641
		495,857,647	443,182,505	17,355,325	8,059,416
LESS: CURRENT LIABILITIES					
Payables	19	178,470,051	170,669,613	2,381,251	2,831,310
Amounts owing to subsidiary companies	16	—	—	56,851,178	57,393,071
Amounts owing to associated companies	17	19,691,828	6,673,984	—	—
Borrowings	20	273,362,687	216,731,937	58,715,302	32,134,705
Tax liabilities		1,451,995	4,433,888	—	—
		472,976,561	398,509,422	117,947,731	92,359,086
NET CURRENT ASSETS/(LIABILITIES)					
		22,881,086	44,673,083	(100,592,406)	(84,299,670)
		467,521,703	463,061,979	260,054,889	266,551,524

		Group		Company	
	NOTE	2003 RM	2002 RM	2003 RM	2002 RM
FINANCED BY					
SHARE CAPITAL	23	120,507,195	120,503,195	120,507,195	120,503,195
RESERVES	24	137,668,441	139,795,101	138,018,455	134,667,535
LESS: COST OF TREASURY SHARES		(4,142,357)	(4,142,357)	(4,142,357)	(4,142,357)
SHAREHOLDERS' EQUITY		254,033,279	256,155,939	254,383,293	251,028,373
MINORITY INTERESTS		141,807,015	134,003,007	—	—
DEFERRED AND LONG TERM LIABILITIES					
Borrowings	20	50,077,914	56,842,632	5,338,975	15,220,530
Deferred tax liabilities	25	14,718,888	12,179,401	332,621	302,621
Provision for retirement benefits	26	3,716,000	3,881,000	—	—
Advances from directors of a subsidiary company	27	3,168,607	—	—	—
		467,521,703	463,061,979	260,054,889	266,551,524

The attached notes form an integral part of the financial statements.

	NOTE	Group		Company	
		2003 RM	2002 RM	2003 RM	2002 RM
Operating revenue	28	935,592,637	715,033,083	31,945,441	24,541,115
Cost of sales		(772,854,002)	(593,602,797)	—	—
Gross profit		162,738,635	121,430,286	31,945,441	24,541,115
Other operating income	29	16,896,511	10,739,201	4,368	91,888
Selling and distribution costs		(48,743,916)	(46,528,212)	—	—
Administration expenses		(65,013,114)	(56,018,484)	(8,644,082)	(6,725,466)
Other operating expenses	29	(20,872,439)	(32,755,138)	(4,603,418)	—
Profit/(Loss) from operations		45,005,677	(3,132,347)	18,702,309	17,907,537
Finance cost		(17,531,441)	(16,331,135)	(6,986,004)	(7,516,614)
Share of results of associated companies		(304,051)	497,357	—	—
Profit/(Loss) before taxation	30	27,170,185	(18,966,125)	11,716,305	10,390,923
Taxation					
– Group	31	(17,223,615)	(15,310,290)	(4,977,179)	(3,442,347)
– Associated companies		(435,481)	(509,033)	—	—
Profit/(Loss) after taxation		9,511,089	(34,785,448)	6,739,126	6,948,576
Minority interests		(7,238,024)	27,020,659	—	—
Net profit/(loss) for the financial year		2,273,065	(7,764,789)	6,739,126	6,948,576
Earnings/(Loss) per ordinary share (sen)	32	1.92	(6.57)		
Dividend per share (sen)					
– Proposed final dividend of 4 sen (2002: 4 sen) gross, less tax	34	2.88	2.88	2.88	2.88

The attached notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MAY 2003

ANCOM BERHAD (8440-M)

Group	Share capital RM	Share premium RM	Merger reserve RM	Revaluation reserve RM	Capital reserve RM	Foreign exchange reserve RM	Treasury shares RM	Capital redemption reserve RM	Retained profits RM	Total RM
Balance as at 31 May 2001, as previously stated	120,476,195	75,040,632	1,282,044	20,441,670	2,349,307	(3,898,989)	(2,454,964)	4,917,000	45,634,088	263,786,983
Prior year adjustment (Note 33)	—	—	—	—	—	—	—	—	3,423,663	3,423,663
Balance as at 31 May 2001, as restated	120,476,195	75,040,632	1,282,044	20,441,670	2,349,307	(3,898,989)	(2,454,964)	4,917,000	49,057,751	267,210,646
Share issue expenses	—	(8)	—	—	—	—	—	—	—	(8)
Currency translation differences	—	—	—	—	—	(8,026,052)	—	—	—	(8,026,052)
Realisation of translation losses upon disposal of foreign subsidiary company	—	—	—	—	—	9,792,206	—	—	—	9,792,206
Net (losses)/gains not recognised in the consolidated income statement	—	(8)	—	—	—	1,766,154	—	—	—	1,766,146
Issue of shares under ESOS	27,000	10,050	—	—	—	—	—	—	—	37,050
Purchase of Company's own shares	—	—	—	—	—	—	(1,687,393)	—	—	(1,687,393)
Redemption of redeemable preference shares by a subsidiary company	—	—	—	—	—	—	—	2,300	(2,300)	—
Net loss for the financial year	—	—	—	—	—	—	—	—	(7,764,789)	(7,764,789)
Dividends (Note 34)	—	—	—	—	—	—	—	—	(3,405,721)	(3,405,721)
Balance as at 31 May 2002	120,503,195	75,050,674	1,282,044	20,441,670	2,349,307	(2,132,835)	(4,142,357)	4,919,300	37,884,941	256,155,939

STATEMENTS OF
continued **CHANGES IN EQUITY**
FOR THE FINANCIAL YEAR ENDED 31 MAY 2003

Group	Share capital RM	Share premium RM	Merger reserve RM	Revaluation reserve RM	Capital reserve RM	Foreign exchange reserve RM	Treasury shares RM	Capital redemption reserve RM	Retained profits RM	Total RM
Balance as at 31 May 2002, as previously stated	120,503,195	75,050,674	1,282,044	20,441,670	2,349,307	(2,132,835)	(4,142,357)	4,919,300	34,495,579	252,766,577
Prior year adjustment (Note 33)	—	—	—	—	—	—	—	—	3,389,362	3,389,362
Balance as at 31 May 2002, as restated	120,503,195	75,050,674	1,282,044	20,441,670	2,349,307	(2,132,835)	(4,142,357)	4,919,300	37,884,941	256,155,939
Share issue expenses	—	(4)	—	—	—	—	—	—	—	(4)
Currency translation differences	—	—	—	—	—	(1,011,519)	—	—	—	(1,011,519)
Net losses not recognised in the consolidated income statement	—	(4)	—	—	—	(1,011,519)	—	—	—	(1,011,523)
Issue of shares under ESOS	4,000	1,160	—	—	—	—	—	—	—	5,160
Bonus issue of a subsidiary company capitalised from retained profit	—	—	—	—	50,949	—	—	—	(50,949)	—
Redemption of redeemable preference shares by a subsidiary company	—	—	—	—	—	—	—	11,000	(11,000)	—
Net profit for the financial year	—	—	—	—	—	—	—	—	2,273,065	2,273,065
Dividends (Note 34)	—	—	—	—	—	—	—	—	(3,389,362)	(3,389,362)
Balance as at 31 May 2003	120,507,195	75,051,830	1,282,044	20,441,670	2,400,256	(3,144,354)	(4,142,357)	4,930,300	36,706,695	254,033,279

The attached notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY continued

FOR THE FINANCIAL YEAR ENDED 31 MAY 2003

ANCOM BERHAD (8440-M)

Company	Share capital RM	Share premium RM	Merger reserve RM	Revaluation reserve RM	Capital redemption reserve RM	Treasury shares RM	Retained profits RM	Total RM
Balance as at 31 May 2001, as previously stated	120,476,195	75,040,632	32,494,629	14,753,113	4,917,000	(2,454,964)	485,601	245,712,206
Prior year adjustment (Note 33)	—	—	—	—	—	—	3,423,663	3,423,663
Balance as at 31 May 2001, as restated	120,476,195	75,040,632	32,494,629	14,753,113	4,917,000	(2,454,964)	3,909,264	249,135,869
Issue of shares under ESOS	27,000	10,050	—	—	—	—	—	37,050
Share issue expenses	—	(8)	—	—	—	—	—	(8)
Net loss not recognised in the income statement	—	(8)	—	—	—	—	—	(8)
Purchase of Company's own shares	—	—	—	—	—	(1,687,393)	—	(1,687,393)
Net profit for the financial year	—	—	—	—	—	—	6,948,576	6,948,576
Dividends (Note 34)	—	—	—	—	—	—	(3,405,721)	(3,405,721)
Balance as at 31 May 2002, as previously stated	120,503,195	75,050,674	32,494,629	14,753,113	4,917,000	(4,142,357)	4,062,757	247,639,011
Prior year adjustment (Note 33)	—	—	—	—	—	—	3,389,362	3,389,362
Balance as at 31 May 2002, as restated	120,503,195	75,050,674	32,494,629	14,753,113	4,917,000	(4,142,357)	7,452,119	251,028,373
Issue of shares under ESOS	4,000	1,160	—	—	—	—	—	5,160
Share issue expenses	—	(4)	—	—	—	—	—	(4)
Net loss not recognised in the income statement	—	(4)	—	—	—	—	—	(4)
Net profit for the financial year	—	—	—	—	—	—	6,739,126	6,739,126
Dividends (Note 34)	—	—	—	—	—	—	(3,389,362)	(3,389,362)
Balance as at 31 May 2003	120,507,195	75,051,830	32,494,629	14,753,113	4,917,000	(4,142,357)	10,801,883	254,383,293

The attached notes form an integral part of the financial statements.

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before taxation	27,170,185	(18,966,125)	11,716,305	10,390,923
Adjustments for:-				
Allowance for doubtful debts	5,776,503	4,694,588	—	—
Allowance for doubtful debts no longer required	(28,220)	(949,551)	—	—
Amortisation of intangible assets	4,766,920	5,360,401	—	—
Bad debts written off	548,059	1,072,522	127,938	283,511
Depreciation of property, plant and equipment	24,948,535	26,970,120	821,706	813,963
Dilution of interest in a subsidiary company	186,075	—	—	—
Dividend income (gross)	(7,278,466)	(9,760,078)	(24,828,464)	(18,210,154)
Gain on disposal of a subsidiary company	—	(3,712,314)	—	—
Gain on disposal of investments	—	(2,795)	—	—
Gain on disposal of land	(1,001,211)	—	—	—
Impairment loss on investment in subsidiary companies	—	—	4,603,418	—
Impairment loss on property, plant and equipment	3,293,374	—	—	—
Impairment of goodwill in subsidiary companies	5,015,291	—	—	—
Intangible assets written off	1,303,128	—	—	—
Interest expense	17,665,575	16,138,676	6,964,770	7,476,359
Interest income	(705,713)	(758,971)	(161,480)	(152,092)
Inventories written off	90,228	—	—	—
Investment in subsidiary companies written off	—	—	4	—
Long term investment written-down	30,295	39,705	—	—
Loss/(Gain) on disposal of property, plant and equipment	2,847,914	(26,791)	13,976	(7,888)
Loss on partial disposal of shares in a subsidiary company	188,527	—	—	—
Property, plant and equipment written off	197,319	83,836	6,400	2,307
Provision for inventories obsolescence	357,000	—	—	—
Provision for retirement benefits	789,000	938,000	—	—
Share of results of associated companies	304,051	(497,357)	—	—
Translation adjustment	(943,000)	(4,536,206)	—	—
Unrealised gain/(loss) on foreign exchange	(10,697)	(770)	—	4
Write-down of assets in a subsidiary company	—	23,324,793	—	—
Write-down of goodwill in a subsidiary company	—	221,207	—	—
Operating profit/(loss) before working capital changes carried forward	85,510,672	39,632,890	(735,427)	596,933

CASH FLOW STATEMENTS continued

FOR THE FINANCIAL YEAR ENDED 31 MAY 2003

ANCOM BERHAD (8440-M)

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
CASH FLOWS FROM OPERATING ACTIVITIES (continued)				
Operating profit/(loss) before working capital changes brought forward	85,510,672	39,632,890	(735,427)	596,933
(Increase)/Decrease in development properties expenditure	(2,256,191)	3,220,642	—	—
Decrease in inventories	3,314,369	18,050,218	—	—
(Increase)/Decrease in receivables	(37,843,847)	4,965,033	1,437,555	(1,301,226)
(Decrease)/Increase in payables	(6,911,644)	(4,005,395)	425,381	(76,394)
Increase in amount owing to associated companies	13,017,844	—	—	—
Cash generated from/(used in) operations	54,831,203	61,863,388	1,127,509	(780,687)
Retirement benefits paid	(1,022,000)	(850,000)	—	—
Interest received	705,713	758,971	31,221	6,123
Dividend received	7,170,978	9,592,056	19,045,891	13,864,655
Tax paid	(18,964,922)	(16,857,039)	(28,888)	(364,495)
Proceed from disposal of land	2,753,523	—	—	—
Net cash from operating activities	45,474,495	54,507,376	20,175,733	12,725,596
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from partial disposal of shares in a subsidiary company	50,000	—	—	—
Dividends received from associated companies	382,260	—	—	—
Net advances to associated companies	(103,621)	—	(426,044)	—
Acquisition of subsidiary companies (Note 35)	(13,858,814)	(658,106)	—	—
Disposal of subsidiary companies (Note 36)	—	5,371,281	—	—
(Placement)/Withdrawal of short term deposits pledged to licensed banks	(1,154,544)	(75,831)	—	266,329
Proceeds from disposal of investments	—	22,795	—	—
Proceeds from disposal of property, plant and equipment	2,548,238	1,952,900	24,764	62,001
Purchase of additional shares in existing subsidiary companies	—	(1,447,187)	—	(3,447,190)
Purchase of intangible assets	(2,599,027)	(4,288,456)	—	—
Purchase of property, plant and equipment (Note 37)	(13,806,699)	(23,880,254)	(394,866)	(214,702)
Purchase of shares in associated companies	(789,729)	(825,001)	(1,500,000)	(1,049,350)
Interest received from subsidiary and associated companies	—	—	130,259	145,969
Net advances to subsidiary companies	—	—	(24,072,698)	(9,794,043)
Proceeds from disposal of shares in associated company	—	—	—	1,000,000
Redemption of preference shares in subsidiary company	—	—	1,100,000	230,000
Net cash used in investing activities	(29,331,936)	(23,827,859)	(25,138,585)	(12,800,986)

CASH FLOW continued STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MAY 2003

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from directors of a subsidiary company	3,168,607	—	—	—
Dividend paid	(3,389,362)	(3,405,721)	(3,389,362)	(3,405,721)
Dividends paid to minority interests	(9,004,653)	(1,551,000)	—	—
Interest paid	(17,665,575)	(16,138,676)	(6,964,770)	(7,476,359)
Net (repayment to)/advances from subsidiary companies	—	—	(541,893)	15,797,553
Proceeds from issue of shares to minority interests	49,900	660,000	—	—
Proceeds from shares issued under the ESOS	5,156	37,042	5,156	37,042
Purchase of Company's own shares	—	(1,687,393)	—	(1,687,393)
Repayment of hire-purchase creditors	(2,607,459)	(1,709,647)	(454,505)	(257,693)
Net drawdown/(repayment) of borrowings	20,132,895	18,161,976	18,000,000	(3,462,050)
Net cash (used in)/from financing activities	(9,310,491)	(5,633,419)	6,654,626	(454,621)
Net increase/(decrease) in cash and cash equivalents	6,832,068	25,046,098	1,691,774	(530,011)
Cash and cash equivalents at beginning of the financial year	41,938,112	17,645,167	(3,456,314)	(2,926,303)
Effects of exchange rate changes on cash and cash equivalents	566,954	(753,153)	—	—
	42,505,066	16,892,014	(3,456,314)	(2,926,303)
Cash and cash equivalents at end of the financial year (Note 38)	49,337,134	41,938,112	(1,764,540)	(3,456,314)

The attached notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at Suite 1005, 10th Floor, Wisma Hamzah Kwong Hing, No. 1, Leboh Ampang, 50100 Kuala Lumpur.

The principal place of business of the Company is located at 102-1002, Block A, Pusat Dagangan Phileo Damansara I, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including foreign currency risk, liquidity risk, interest rate risk and credit risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies.

The Group's financial instruments such as receivables, payables and accruals arise directly from the Group's operations.

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risk arising from the Group's financial instruments are foreign currency risk, liquidity risk, interest rate risk and credit risk. The management reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group is exposed to foreign currency risk as a result of its net investments in overseas subsidiary companies and normal trading activities, both external and intra-Group, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Group's policy is to minimise the exposure of overseas operating subsidiary companies to transaction risk by matching local currency income against local currency costs.

Liquidity risk

It is the Group's policy to ensure continuity in servicing its cash obligations in the future by way of measuring and forecasting its cash commitments, and monitoring and maintaining a level of cash and cash equivalents deemed adequate to the Group's operations.

Interest rate risk

The Group's exposure to interest rate risk arises mainly from the Group's borrowings and deposits, and is managed through the use of fixed and floating rate debts, and term and call deposits.

Credit risk

Cash deposits and receivables may give rise to credit risk which require the loss to be recognised if a counter party failed to perform as contracted. It is the Group's policy to monitor the financial standing of these counter-parties on an on going basis to ensure that the Group is exposed to minimal credit risk.

3. PRINCIPAL ACTIVITIES

The Company is an investment holding and management company.

The principal activities of the subsidiary companies are disclosed in Note 47 to the financial statements.

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

4. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of accounting

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 land and buildings) unless otherwise indicated in the significant accounting policies.

The preparation of financial statements in conformity with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. The Company adopts both the acquisition and merger method of consolidation.

When the acquisition method is adopted, the difference between the purchase price and the fair value of the attributable net assets of subsidiary companies at the date of acquisition is reflected in the financial statements as goodwill or reserve on consolidation. Goodwill on consolidation is stated at cost less impairment losses, if any. The results of the subsidiary companies acquired or disposed of are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal.

Acquisition of subsidiary companies prior to 1 June 2002 which meet the criteria for merger accounting under the Malaysian Accounting Standards 2, Accounting for Acquisition and Merger, the generally accepted accounting principles prevailing at that time, are accounted for using merger accounting principles. Where the merger method is used, the excess of the cost of investment over the nominal value of the share capital of the subsidiary company is treated as merger reserve arising on consolidation. The results of subsidiary companies acquired are accounted for on a full year basis and the comparative figures are restated accordingly.

The gain or loss on disposal of a subsidiary company is the difference between the net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill on acquisition and exchange differences which were not previously recognised in the consolidated income statements.

Inter-company transactions and balances are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Minority interest is measured at the minorities' share of net results and of net assets of subsidiary companies attributable to interests which are not owned, directly or indirectly through subsidiary companies, by the Company.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.3 Development properties

Development properties comprising land and development costs are stated at cost plus attributable profit less foreseeable losses and net of progress billings. Development costs includes capitalised interest expense on loans and advances utilised to finance on going development, if any.

The portion of development properties in respect of which significant development work has been undertaken and which is expected to be completed within the normal operating cycle of between two to three years is considered as a current asset.

5.4 Investments

(i) Subsidiary companies

A subsidiary company is a company in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from its activities.

Investment in subsidiary companies which are eliminated on consolidation are stated in the Company's financial statements at cost less impairment losses, if any.

(ii) Associated companies

An associated company is a company in which the Group and the Company have a long term equity interest of between 20% to 50% and where the Group and the Company is in a position to exercise significant influence over the financial and operating policies of the investee company.

The Company's investment in associated companies is stated at cost less impairment losses, if any.

Investment in associated companies are accounted for in the consolidated financial statements using the equity method. The Group's interests in associated companies are stated at cost plus adjustments to reflect changes in the Group's share of profits and losses in the associated companies.

Goodwill or negative goodwill arising on acquisition represents the difference between the cost of investment and the Group's share of the value of net assets of the associated companies at the date of acquisition.

The Group's share of results and reserves in the associated companies acquired or disposed of are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

(iii) Other investments

Investment in shares held as long term investments are stated at cost less provision for permanent diminution in value, if any.

5.5 Property, plant and equipment and depreciation

The gross carrying amounts of property, plant and equipment are initially measured at cost. Land and buildings which have been subsequently revalued are stated at valuation less accumulated depreciation and impairment losses, if any. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Land and buildings are revalued at a regular interval of at least once in every five years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued land and buildings differ materially from the market values.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.5 Property, plant and equipment and depreciation (continued)

Surplus arising from such valuations will be credited to shareholders' equity as a revaluation surplus and any deficit will be charged against such surplus to the extent that the decrease offsets any increase. In all other cases, the deficit will be charged to the income statements.

Long term leasehold land and improvements to long term leasehold land are amortised over the lease period of 53-99 years. The mining lease has been fully amortised. Ships are depreciated over 17-19 years after taking into account their estimated residual values. Building and plant and machinery under construction and freehold land are not depreciated. Depreciation on other property, plant and equipment is calculated to write off the costs of the assets on a straight line basis over their estimated useful lives at the following annual depreciation rates:-

Buildings	2 – 10%
Plant, machinery and equipment	7% – 33%
Motor vehicles	10 – 20%
Office equipment, fixtures and fittings	5% – 33%
Renovation	2 – 10%

5.6 Investment property

Investment property consists of freehold land and is stated at cost less impairment loss, where applicable. No depreciation is provided for investment property.

5.7 Impairment of assets

The carrying amount of the Group's and Company's assets other than inventories, deferred tax assets, assets arising from construction contracts and employee benefits, and financial assets, but including investments in subsidiary and associated companies, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset. The impairment loss is recognised in the income statement immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation surplus account to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to the income statement. All reversals of an impairment loss are recognised as income immediately in the income statement except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation surplus account of the same asset.

The impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and subsequent external events have occurred that reverse the effect of the specific event. In respect of other assets, an impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

5.8 Inventories

Inventories are valued at the lower of cost (determined on weighted average method) and net realisable value. Cost of raw materials, packing materials and consumables comprise the original cost of purchase plus the cost incurred in bringing the inventories to their present condition and location. Cost of finished goods and work-in-progress comprise the cost of raw materials, direct labour and an appropriate portion of manufacturing overheads.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.9 Receivables

Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection. In addition, a general allowance based on a percentage of receivables is made to cover possible losses which are not specifically identified.

5.10 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5.11 Intangible assets

Technical know-how obtained for the manufacture of certain products of a subsidiary company is amortised over a period of twenty years commencing from the financial year when commercial production and operating revenue commences.

Trademarks and patents are amortised over ten years.

Registration fees for the right to trade certain products of certain subsidiary companies overseas are stated at cost less impairment losses, if any.

Ship maintenance expenses incurred by the subsidiary companies are amortised over the period of the ship's next drydocking cycle ranging from one to five years.

Research and development expenditure are written off to the income statement as and when incurred except that development expenditure relating to specific projects with commercial viability and for which there is a clear indication of the marketability of the products being developed, is carried forward. Such expenditure is amortised over the period in which the benefits are expected to be derived commencing in the period in which the related sales are first made.

5.12 Deferred tax liabilities and assets

Deferred taxation is provided for under the liability method at the current taxation rate in respect of all material timing differences except where it is reasonably probable that such timing differences will not crystallise in the foreseeable future.

Deferred tax benefits are recognised in the financial statements only when there are reasonable assurance of their realisation.

5.13 Provision for retirement benefits

Certain subsidiary companies are obliged under non-contributory retirement benefit schemes and collective bargaining agreements to pay retirement benefits to certain employees who retire or leave the companies' employ after fulfilling certain conditions. Provision for retirement benefits is computed based on the length of service and a proportion of the basic salary earnings of the employees in each particular year of service.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.14 Share capital

(i) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are both classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

(ii) Share issue costs

External costs directly attributable to the issue of new shares are shown as a deduction, net of tax, in equity from the proceeds.

(iii) Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

In prior years, dividends were recognised in the financial statements when declared or proposed by the Directors. This change in accounting policy has been accounted for retrospectively and the effects are dealt with as prior year adjustments as disclosed in Note 48 to the financial statements.

(iv) Purchase of own shares

Where the Company or its subsidiaries purchases the Company's equity share capital, the consideration paid, including any attributable transaction costs is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are reissued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

5.15 Voyage accounting

The results of all voyages, completed and uncompleted, up to the balance sheet date are included in the operating profit for the financial year. For voyages which remained uncompleted as at the balance sheet date, the freight receivable for cargoes loaded onto the ship up to the balance sheet date and their corresponding discharging costs are accrued in the income statement.

5.16 Foreign currency transactions and translations

(i) Transactions in foreign currencies

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling on transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at the approximate rates of exchange at the balance sheet date except where there are related or matching forward contracts in respect of trading transactions, in which case the rates of exchange specified in those contracts are used.

All gains or losses from currency transactions are taken up in the income statement.

(ii) Translation of foreign currency financial statements

For consolidation purposes, the assets and liabilities of foreign entities are translated into Ringgit Malaysia at the rates ruling at the balance sheet date. Income statement items are translated at exchange rates at the dates of transactions. The translation differences arising therefrom are taken up and reflected in the foreign exchange reserve.

Goodwill arising on the acquisition of a foreign entity and fair value adjustments to the carrying amounts of assets and liabilities acquired are translated at the exchange rate at the date of transaction.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.16 Foreign currency transactions and translations (continued)

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

	2003 RM	2002 RM
(i) 1 US Dollar	3.75	3.75
(ii) 1 Singapore Dollar	2.19	2.20
(iii) 1 Australian Dollar	2.47	2.11
(iv) 1 Chinese Renminbi	0.46	0.46
(v) 1 Hong Kong Dollar	0.48	0.48
(vi) 1,000 Indonesia Rupiah	0.45	0.42
(vii) 100 Philippine Peso	—	0.07
(viii) 1 Euro	4.45	3.40

5.17 Assets acquired under hire-purchase and lease agreements

Assets financed by hire-purchase and lease arrangements which transfer substantially all the risks and rewards of ownership to the Group are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned property, plant and equipment.

Finance charges are allocated to the income statement over the period of the agreements to give a constant periodic rate of charge on the remaining hire-purchase and lease liabilities.

5.18 Revenue recognition

Revenue from sale of goods and rendering of services are recognised in the income statement upon delivery of goods and customers' acceptance, and performance of services.

Revenue relating to property development are accounted for under the percentage of completion method. The stage of completion is determined based on the proportion of actual costs incurred to-date to the estimated total costs for each contract.

Interest income and rental income are recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend income are recognised when the Group's and the Company's right to receive payment is established.

Freight receivable is recognised for cargoes loaded onto vessels up to the balance sheet date.

5.19 Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short-term, highly liquid investments which are readily convertible to cash and which are subject to insignificant risk of changes in value.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.20 Segment information

Segment information is presented in respect of the Group's business and geographical segments. The primary reporting segment information is in respect of business segments as the Group risk and rates of return are affected predominantly by differences in the products it produces, while the secondary information is reported geographically.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise finance cost and corporate administration expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that is expected to be used for more than one period.

5.21 Financial instruments

5.21.1 Financial instruments recognised on the balance sheet

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

The accounting policies for financial instruments are disclosed in the individual policies associated with each item.

5.21.2 Disclosures of fair value

The fair values of the financial assets and liabilities maturing within 12 months are stated at approximately the carrying value as at the balance sheet date.

The fair values of quoted investments, other than quoted investments in a subsidiary company are estimated based on quoted market prices. For investments for which there are no quoted market prices, a reasonable estimate of fair value could not be made without incurring excessive costs. Therefore, such investments are valued at cost less provision for diminution in value, if any.

The fair values of the term loans are estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Group for loans of the same remaining maturities.

NOTES TO THE FINANCIAL STATEMENTS continued

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ANCOM BERHAD (8440-M)

6. PROPERTY, PLANT AND EQUIPMENT

Group	Balance at 1.6.2002 RM	Additions RM	Disposals RM	Subsidiary companies acquired RM	Exchange fluctuation RM	Written off RM	Reclassi- fication RM	Balance at 31.5.2003 RM	Net book value at 31.5.2003 RM	Net book value at 31.5.2002 RM
2003										
Cost/Valuation										
Freehold land and buildings										
– at 2000 valuation	8,262,000	—	—	—	—	—	—	8,262,000	8,115,967	8,153,967
Freehold land, at cost	12,573,234	—	(4,285,289)	—	110,000	—	—	8,397,945	8,397,945	12,324,952
Long leasehold land and buildings										
– at 1985 valuation	8,241,000	—	—	—	—	—	—	8,241,000	7,920,000	7,920,000
– at 2000 valuation	33,230,084	—	—	—	—	—	—	33,230,084	30,983,240	32,151,757
– at cost	14,315,367	488,499	—	30,280,600	496,666	—	—	45,581,132	41,311,360	13,267,403
Buildings										
– at 1985 valuation	3,301,000	—	—	—	—	—	—	3,301,000	2,488,000	2,488,000
– at cost	37,696,555	262,631	(146,160)	—	731,000	—	4,305,851	42,849,877	38,687,313	34,861,993
Leasehold improvements	551,946	89,641	(189,841)	—	—	—	—	451,746	106,615	65,549
Plant, machinery and equipment	163,033,566	4,797,658	(2,780,013)	2,960,550	669,116	(39,787)	4,896,021	173,537,111	96,496,241	100,496,954
Plant, machinery and equipment under lease and hire-purchase	3,263,635	97,510	—	—	—	—	—	3,361,145	1,763,691	1,992,544
Motor vehicles	7,311,142	3,153,306	(1,796,221)	15,815,400	274,795	—	5,000	24,763,422	14,517,480	3,911,283
Motor vehicles under hire-purchase	3,539,243	1,060,797	(147,039)	—	1,996	—	—	4,454,997	3,173,161	2,786,666
Office equipment, fixtures and fittings	20,669,544	1,698,744	(1,057,761)	811,019	435,318	(278,884)	411,000	22,688,980	11,501,595	13,283,814
Office equipment, fixtures and fittings under lease and hire-purchase	168,488	989,000	(16,810)	—	—	—	—	1,140,678	1,096,420	136,525
Building, plant and machinery under construction	8,096,618	4,443,526	(18,756)	—	—	—	(9,617,872)	2,903,516	2,903,516	8,096,618
Mining lease	2,326,149	—	—	—	—	—	—	2,326,149	—	—
Ships	28,096,954	—	—	—	—	—	—	28,096,954	16,540,096	17,706,865
Renovation	1,176,432	107,918	(22,673)	2,708,981	33,736	(14,410)	—	3,989,984	3,201,054	1,031,077
	355,852,957	17,189,230	(10,460,563)	52,576,550	2,752,627	(333,081)	—	417,577,720	289,203,694	260,675,967

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Balance at 1.6.2002 RM	Charge for the financial year RM	Disposals RM	Subsidiary companies acquired RM	Exchange fluctuation RM	Written off RM	Reclassi- fication RM	Balance at 31.5.2003 RM
2003								
Accumulated depreciation								
Freehold land and buildings								
– at 2000 valuation	108,033	38,000	—	—	—	—	—	146,033
Freehold land, at cost	248,282	—	(248,282)	—	—	—	—	—
Long leasehold land and buildings								
– at 1985 valuation	321,000	—	—	—	—	—	—	321,000
– at 2000 valuation	1,078,327	498,517	—	—	—	—	—	1,576,844
– at cost	1,047,964	1,292,558	—	1,924,250	5,000	—	—	4,269,772
Buildings								
– at 1985 valuation	813,000	—	—	—	—	—	—	813,000
– at cost	2,834,562	1,206,782	(19,780)	—	141,000	—	—	4,162,564
Leasehold improvements	486,397	37,366	(178,632)	—	—	—	—	345,131
Plant, machinery and equipment	62,536,612	14,016,665	(2,170,412)	769,700	362,000	(39,787)	—	75,474,778
Plant, machinery and equipment under lease and hire-purchase	1,271,091	326,363	—	—	—	—	—	1,597,454
Motor vehicles	3,399,859	2,469,671	(1,466,438)	5,759,850	83,000	—	—	10,245,942
Motor vehicles under hire-purchase	752,577	747,239	(217,980)	—	—	—	—	1,281,836
Office equipment, fixtures and fittings	7,385,730	2,890,945	(752,965)	300,420	399,000	(93,027)	—	10,130,103
Office equipment, fixtures and fittings under lease and hire-purchase	31,963	15,237	(2,942)	—	—	—	—	44,258
Building, plant and machinery under construction	—	—	—	—	—	—	—	—
Mining lease	2,326,149	—	—	—	—	—	—	2,326,149
Ships	10,390,089	1,166,769	—	—	—	—	—	11,556,858
Renovation	145,355	242,423	(6,980)	411,080	—	(2,948)	—	788,930
	95,176,990	24,948,535	(5,064,411)	9,165,300	990,000	(135,762)	—	125,080,652

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Balance at 1.6.2002 RM	Recognised for the financial year RM	Balance at 31.5.2003 RM
2003			
Impairment losses			
Long leasehold land and buildings – at 2000 valuation	—	670,000	670,000
Plant, machinery and equipment	—	1,566,092	1,566,092
Office equipment, fixtures and fittings	—	1,057,282	1,057,282
	—	3,293,374	3,293,374

Company	Balance at 1.6.2002 RM	Additions RM	Disposals RM	Written off RM	Balance at 31.5.2003 RM	Net book value at 31.5.2003 RM	Net book value at 31.5.2002 RM
2003							
Cost/Valuation							
Long leasehold land and buildings – at 2000 valuation	26,800,000	—	—	—	26,800,000	25,598,151	25,977,683
Motor vehicles	59,540	—	—	—	59,540	37,198	49,107
Motor vehicles under hire-purchase	1,583,625	—	—	—	1,583,625	587,117	903,842
Office equipment, fixtures and fittings	832,511	108,698	(85,718)	(8,208)	847,283	425,384	456,865
Office equipment, fixtures and fittings under hire-purchase	—	989,000	—	—	989,000	989,000	—
Renovation	904,768	88,168	—	—	992,936	891,535	821,868
	30,180,444	1,185,866	(85,718)	(8,208)	31,272,384	28,528,385	28,209,365

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Balance at 1.6.2002 RM	Charge for the financial year RM	Disposals RM	Written off RM	Balance at 31.5.2003 RM
2003					
Accumulated depreciation					
Long leasehold land and buildings					
– at 2000 valuation	822,317	379,532	—	—	1,201,849
Motor vehicles	10,433	11,909	—	—	22,342
Motor vehicles under hire-purchase	679,783	316,725	—	—	996,508
Office equipment, fixtures and fittings	375,646	95,039	(46,978)	(1,808)	421,899
Office equipment, fixtures and fittings under hire-purchase	—	—	—	—	—
Renovation	82,900	18,501	—	—	101,401
	1,971,079	821,706	(46,978)	(1,808)	2,743,999

Certain property, plant and equipment of the Group costing RM110,006,269 (2002: RM84,540,231) have been charged as securities for banking facilities granted to the Group as disclosed in Notes 20 and 22 to the financial statements.

The long leasehold land and buildings of the Company costing RM26,800,000 (2002: RM26,800,000) have been charged as securities for banking facilities granted to the Company as disclosed in Notes 20 and 22 to the financial statements.

Certain land and buildings of the Group and of the Company were revalued by the Directors based on a valuation carried out in 2000 by an independent firm of professional valuers using the open market value method.

The carrying amount of the revalued assets of the Company and certain subsidiary companies that would have been carried at cost less accumulated depreciation cannot be determined from available records. Hence, the carrying amounts of the Group's and of the Company's property, plant and equipment, had the revalued assets been carried at cost less accumulated depreciation, are not disclosed.

7. DEVELOPMENT PROPERTIES

	Group	
	2003 RM	2002 RM
Freehold land – at cost	3,727,328	5,940,062
Development expenditure	36,454,258	21,476,338
	40,181,586	27,416,400
Less: Long term portion	(20,516,196)	(20,360,281)
	19,665,390	7,056,119
Add: Attributable profit recognised	8,954,216	464,203
	28,619,606	7,520,322
Less: Progress billings	(22,865,730)	(1,145,246)
	5,753,876	6,375,076

A development property costing RM1,919,316 (2002: RM1,904,247) is charged to a licensed bank as security for a bank overdraft facility granted to a subsidiary company.

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2003 RM	2002 RM
Unquoted shares – at cost	266,837,893	268,813,337
Less: Impairment loss (Note 29)	(4,603,418)	—
	262,234,475	268,813,337

8.1 Acquisition of subsidiary companies

During the financial year, the Group acquired the following subsidiary companies:-

- 50.96% equity interest in SM Integrated Transware Pte. Ltd. ("SMIT") for a cash consideration of RM13,303,771. SMIT is principally involved in providing transportation, container haulage, bulk cargo handling, chemical warehousing and drumming services in Singapore. Its 70% owned subsidiary, Pengangkutan Cogent Sdn. Bhd. ("PCSB"), is principally involved in providing transportation and related services in Malaysia. Goodwill arising on this acquisition amounting to RM4,217,451 has been accounted for using the acquisition method of accounting effective September 2002.
- 100% equity interest in MSB Solutions Sdn. Bhd. (formerly known as An.com Online Sdn. Bhd.) for a cash consideration of RM2. MSB Solutions Sdn. Bhd. is principally involved in providing IT related services. Goodwill arising on this acquisition amounting to RM109,095 has been accounted for using the acquisition method of accounting effective February 2003.

8. INVESTMENT IN SUBSIDIARY COMPANIES (continued)**8.1 Acquisition of subsidiary companies (continued)**

The effect of these acquisitions on the financial results of the Group during the financial year is as follows:-

	RM
Revenue	18,266,515
Operating costs	(17,712,225)
Profit before tax	554,290
Tax expense	(180,705)
Profit after taxation	373,585
Minority interests	(245,276)
Increase in Group net profit	128,309

The effect of these acquisitions on the financial position of the Group at the end of the financial year is as follows:-

	RM
Property, plant and equipment	44,464,728
Trade receivables	5,789,712
Other receivables, deposits and prepayments	1,385,440
Short term deposits	36,114
Cash and bank balances	926,132
Trade payables	(2,171,359)
Other payables and accruals	(1,375,946)
Borrowings	(23,066,789)
Tax liabilities	(316,759)
Deferred tax liabilities	(1,861,353)
Amount owing to directors	(3,168,607)
Minority interests	(2,256,364)
Increase in Group net assets	18,384,949

In the previous financial year, Ancom Overseas Ventures Sdn. Bhd. ("AOV"), a wholly-owned subsidiary of the Company, acquired an additional 380,000 new ordinary shares of HK\$10.00 each in an associated company, ChemResources China (Agencies) Limited ("CRC"), at par for cash or RM1.9 million equivalent. Consequently, AOV's interest in the issued and paid-up share capital of CRC increased from 48.65% to 54.72% and CRC became a subsidiary of AOV.

Goodwill arising on the acquisition which has been accounted for using the acquisition method of accounting effective 1 November 2001 amounted to RM1,805,276.

8. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

8.1 Acquisition of subsidiary companies (continued)

The effect of this acquisition on the financial results of the Group for the financial year ended 31 May 2002 was as follows:-

	RM
Revenue	10,847,422
Operating costs	(11,346,797)
Loss before taxation	(499,375)
Minority interest	—
Increase in Group net loss	(499,375)

The effect of this acquisition on the financial position of the Group at the end of the financial year ended 31 May 2002 was as follows:-

	RM
Property, plant and equipment	4,775,890
Investment in an associated company	18,270
Inventories	1,869,599
Trade receivables	416,247
Other receivables, deposits and prepaid expenses	1,317,469
Amount owing by an associated company	53,682
Cash and bank balances	318,188
Trade payables	(1,042,992)
Other payables and accruals	(438,292)
Short term borrowing	(2,170,273)
Increase in Group net assets	5,117,788

8. INVESTMENT IN SUBSIDIARY COMPANIES (continued)**8.2 Disposal of subsidiary companies in 2002****8.2.1 Petrodril (Malaysia) Sdn. Bhd.**

During the previous financial year, the Group disposed of its entire equity interest in a subsidiary company, Petrodril (Malaysia) Sdn. Bhd.

The effect of the disposal on the financial results of the Group for the financial year ended 31 May 2002 was as follows:-

	Up to the date of disposal 2002 RM
Revenue	13,164,072
Cost of sales	(9,517,519)
Operating costs	(1,491,918)
Gain on disposal of a subsidiary company	3,712,314
Profit from operations	5,866,949
Finance cost	(402,805)
Profit before taxation	5,464,144
Taxation	(645,353)
Profit after taxation	4,818,791
Minority interest	
– direct	(2,168,456)
– indirect	(476,051)
Increase in Group profit	2,174,284

The effect of the disposal on the financial position of the Group was as follows:-

	At the date of disposal 2002 RM
Fair value of assets and liabilities disposed of:-	
Property, plant and equipment	8,330,416
Investment in an associated company	80,000
Inventories	481,935
Receivables	2,578,438
Cash and bank balances	33,756
Payables	(2,484,140)
Bank borrowings	(6,195,715)
Deferred taxation	(829,353)
Net assets disposed of	1,995,337

8. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

8.2 Disposal of subsidiary companies in 2002 (continued)

8.2.2 Asia Pacific Insulation Corporation, Inc

During the previous financial year, the Group disposed of its entire equity interest in a subsidiary company, Asia Pacific Insulation Corporation, Inc.

The effect of the disposal on the financial results of the Group for the financial year ended 31 May 2002 was as follows:-

	Up to the date of disposal 2002 RM
Revenue	9,963,509
Cost of sales	(10,210,649)
Other operating income	311,915
Operating costs	(2,171,566)
Loss from operations	(2,106,791)
Finance costs	(1,562,491)
Loss before taxation	(3,669,282)
Taxation	(7,354)
Loss after taxation	(3,676,636)
Minority interest	1,764,000
Increase in Group loss	(1,912,636)

The effect of the disposal on the financial position of the Group was as follows:-

	At the date of disposal 2002 RM
Fair value of assets and liabilities disposed of:-	
Property, plant and equipment	16,832,000
Investments	202,000
Inventories	3,493,000
Receivables	6,577,588
Cash and bank balances	95,000
Tax recoverable	144,000
Future income tax benefits	3,211,000
Payables	(5,197,000)
Short term bank borrowings	(11,825,000)
Foreign exchange reserve	9,792,206
	23,324,794
Write-down of assets	(23,324,793)
Net assets disposed of	1

The details of the subsidiary companies are disclosed in Note 47 to the financial statements.

9. AMOUNTS OWING BY SUBSIDIARY COMPANIES

	Company	
	2003 RM	2002 RM
Amount which bears interest ranging from 8% to 10% (2002: 8%) per annum	14,782,710	4,878,855
Non-interest bearing amount	8,832,924	4,347,506
	23,615,634	9,226,361

The amounts owing by subsidiary companies represent mainly advances and payments made on behalf. The amounts owing are unsecured and not repayable within the next 12 months.

10. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Unquoted shares – at cost	13,197,058	12,240,659	5,569,945	3,903,275
Group's share of post acquisition results	1,610,493	2,732,285	—	—
	14,807,551	14,972,944	5,569,945	3,903,275
The Group's investment in associated companies is represented by:-				
Group's share of net assets	14,807,551	14,972,944		

The details of the associated companies are disclosed in Note 47 to the financial statements.

11. OTHER INVESTMENTS - At Cost

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Long term				
– quoted shares in Malaysia	33,080,199	33,080,199	33,080,199	33,080,199
– quoted shares outside Malaysia	7,402,079	7,402,079	7,402,079	7,402,079
– unquoted investments	3,796,578	3,826,873	216,578	216,578
	44,278,856	44,309,151	40,698,856	40,698,856
Market value				
– quoted shares in Malaysia	13,699,278	20,206,658	13,699,278	20,206,658
– quoted shares outside Malaysia	5,104,418	4,953,423	5,104,418	4,953,423

Quoted shares in Malaysia costing RM33,080,199 (2002: Nil) are charged to a licensed financial institution as security for a credit facility granted to the Company. Subsequent to the financial year end, the Company disposed of part of the quoted shares in Malaysia as disclosed in Note 44(vi) to the financial statements.

12. INTANGIBLE ASSETS

	Group	
	2003 RM	2002 RM
Products registration fees	52,581	—
Trademarks and patents	137,500	141,217
Technical know-how	639,505	251,505
Ship maintenance expenses	6,002,028	6,002,028
Development expenditure	16,927,671	16,601,763
	23,759,285	22,996,513
Less: Accumulated amortisation	(14,633,086)	(11,031,595)
	9,126,199	11,964,918

13. GOODWILL ON CONSOLIDATION

	Group	
	2003 RM	2002 RM
As at beginning of the financial year	59,027,635	54,271,606
Arising from acquisition of subsidiary companies (Note 35)	4,326,546	1,805,276
Additional investment cost arising from subsidiary company meeting profit target	—	3,196,127
Write-down of goodwill in a subsidiary company	—	(221,207)
Winding up of subsidiary companies	218,716	—
Impairment of goodwill in subsidiary companies	(5,015,291)	—
Disposal of subsidiary companies	—	(24,167)
Partial disposal of a subsidiary company	(83,309)	—
Dilution of interest in a subsidiary company	(49,900)	—
Reduction in cost of investment resulting from discount given by the vendors	(479,370)	—
Adjustment to cost of investment in a subsidiary company	(396,070)	—
As at end of the financial year	57,548,957	59,027,635

14. INVENTORIES

	Group	
	2003 RM	2002 RM
Raw materials	53,422,068	53,076,404
Packing materials	189,770	171,393
Work-in-progress	23,256,971	32,079,118
Finished goods	44,912,278	37,680,709
Consumables	185,914	815,974
	121,967,001	123,823,598

14. INVENTORIES (continued)

Included in the above is the following inventories carried at net realisable value:-

	Group	
	2003 RM	2002 RM
Raw materials	—	2,841,744
Finished goods	5,407,812	—
	5,407,812	2,841,744

15. RECEIVABLES

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Trade receivables	274,564,687	232,454,725	—	—
Less: Allowance for doubtful debts	(11,914,551)	(5,977,187)	—	—
	262,650,136	226,477,538	—	—
Other receivables	9,667,574	14,305,575	42,050	831,350
Deposits	2,797,417	3,817,099	159,487	159,485
Prepayments	12,322,098	4,671,365	128,271	943,198
	24,787,089	22,794,039	329,808	1,934,033
Less: Allowance for doubtful debts	(71,573)	(63,450)	—	—
	24,715,516	22,730,589	329,808	1,934,033
	287,365,652	249,208,127	329,808	1,934,033

The allowance for doubtful debts are net of bad debts written off of RM14,363 (2002: RM74,528).

The credit term of trade receivables range from 30 to 90 days.

	Group 2003 RM
The currency exposure profile of trade receivables is as follows:-	
– Ringgit Malaysia	205,117,080
– US Dollar	51,740,144
– Singapore Dollar	10,710,497
– Australian Dollar	1,756,000
– QAR	1,435,000
– Sterling Pound	1,308,000
– UAE Dirham	1,013,000
– Hong Kong Dollar	901,966
– Japanese Yen	429,000
– Others	154,000
	274,564,687

16. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

	Company	
	2003 RM	2002 RM
Amounts owing by subsidiary companies:-		
– amount which bears interest at 8% per annum	—	1,500,000
– non-interest bearing amount	12,941,402	1,885,915
	12,941,402	3,385,915
Amounts owing to subsidiary companies:-		
– amount which bears interest at 8% (2002: 8%) per annum	47,326,091	56,396,916
– non-interest bearing amount	9,525,087	996,155
	56,851,178	57,393,071

The amounts owing by subsidiary companies represent balances arising from advances and payments made on behalf of the subsidiary companies which are unsecured and have no fixed terms of repayment.

The amounts owing to subsidiary companies represent balances arising from advances and payments made on behalf by the subsidiary companies which are unsecured and have no fixed terms of repayment.

17. AMOUNTS OWING BY/TO ASSOCIATED COMPANIES

The amounts owing by associated companies represent balances arising from normal trade transactions and advances which are unsecured and have no fixed terms of repayment except for balances arising from trade transactions which are payable under normal trade credit terms. The advances bear interest at 8% (2002: Nil) per annum.

The amounts owing to associated companies represent balances arising from normal trade transactions which are unsecured, interest-free and payable under normal trade credit terms.

18. SHORT TERM DEPOSITS

	Group	
	2003 RM	2002 RM
Short term deposits with:-		
– licensed banks	15,199,769	22,051,236
– licensed financial institutions	4,972,289	1,250,000
	20,172,058	23,301,236

Included in the short term deposits of the Group are amounts totalling RM2,996,704 (2002: RM1,842,160) which have been pledged to licensed banks for banking facilities granted to the Group.

19. PAYABLES

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Trade payables	115,216,892	118,135,480	—	—
Other payables	34,111,042	28,915,007	1,831,632	2,390,964
Accruals	14,817,712	15,071,468	549,619	440,346
Amounts owing to directors of subsidiary companies	79,707	210,490	—	—
Amounts owing to minority shareholders of subsidiary companies	14,244,698	8,337,168	—	—
	178,470,051	170,669,613	2,381,251	2,831,310

Amounts owing to directors of subsidiary companies represent advances which are unsecured, interest-free and have no fixed terms of repayment.

Amounts owing to minority shareholders of subsidiary companies are in respect of trade transactions and advances which are unsecured, interest-free and have no fixed terms of repayment.

The credit term of trade payables range from 7 to 120 days.

	Group 2003 RM
The currency exposure profile of trade payables is as follows:-	
– Ringgit Malaysia	92,716,023
– US Dollar	17,024,078
– Singapore Dollar	2,642,289
– Sterling Pound	1,131,000
– Euro	906,316
– Japanese Yen	463,000
– Australian Dollar	124,000
– Hong Kong Dollar	118,186
– Others	92,000
	115,216,892

20. BORROWINGS

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Current liabilities				
Unsecured				
Bankers' acceptances	58,280,000	31,850,000	—	—
Revolving credits	127,869,000	140,631,000	24,400,000	23,400,000
Bank overdrafts	11,477,375	5,991,555	1,846,502	3,483,955
	197,626,375	178,472,555	26,246,502	26,883,955
Secured				
Bankers' acceptances	4,838,000	1,491,000	—	—
Bank overdrafts	6,839,100	6,081,555	—	—
Hire-purchase and lease creditors (Note 21)	3,277,081	935,250	468,800	250,750
Trust receipts	4,422,298	2,256,512	—	—
Revolving credits	6,000,000	2,300,000	4,000,000	—
Short term loan	13,000,000	1,000,000	13,000,000	—
Current portion of long term loans (Note 22)	37,359,833	24,195,065	15,000,000	5,000,000
	75,736,312	38,259,382	32,468,800	5,250,750
	273,362,687	216,731,937	58,715,302	32,134,705
Long term liabilities				
Secured				
Hire-purchase and lease creditors (Note 21)	3,251,682	673,241	338,975	220,530
Long term loans (Note 22)	46,826,232	56,169,391	5,000,000	15,000,000
	50,077,914	56,842,632	5,338,975	15,220,530
Total borrowings				
Unsecured				
Bankers' acceptances	58,280,000	31,850,000	—	—
Revolving credits	127,869,000	140,631,000	24,400,000	23,400,000
Bank overdrafts	11,477,375	5,991,555	1,846,502	3,483,955
	197,626,375	178,472,555	26,246,502	26,883,955
Secured				
Bankers' acceptances	4,838,000	1,491,000	—	—
Bank overdrafts	6,839,100	6,081,555	—	—
Hire-purchase and lease creditors (Note 21)	6,528,763	1,608,491	807,775	471,280
Trust receipts	4,422,298	2,256,512	—	—
Revolving credits	6,000,000	2,300,000	4,000,000	—
Short term loan	13,000,000	1,000,000	13,000,000	—
Long term loans (Note 22)	84,186,065	80,364,456	20,000,000	20,000,000
	125,814,226	95,102,014	37,807,775	20,471,280
	323,440,601	273,574,569	64,054,277	47,355,235

20. BORROWINGS (continued)

Certain bankers' acceptances, bank overdrafts, trust receipts and revolving credits of the Group are secured by a fixed charge over the freehold land and buildings of certain subsidiary companies as disclosed in Note 6 to the financial statements and guaranteed by the Company.

The short term loan is secured by the quoted shares in Malaysia as disclosed in Note 11 to the financial statements and unquoted shares in a subsidiary company.

The interest rates on the borrowings of the Group and of the Company range from 1.0% to 10.0% (2002: 1.3% to 9.3%) and 4.4% to 10.0% (2002: 4.4% to 7.9%) respectively.

	Group 2003 RM	Company 2003 RM
The currency exposure profile of borrowings is as follows:-		
– Ringgit Malaysia	259,940,478	64,054,277
– Singapore Dollar	23,066,789	—
– Australian Dollar	22,611,000	—
– US Dollar	13,069,000	—
– Hong Kong Dollar	4,753,334	—
	323,440,601	64,054,277

The maturity dates of the borrowings and the exposure to interest risk are as follows:-

Group	Fixed rate RM	Floating rate RM	Total RM
As at 31 May 2003			
Current liabilities:-			
– within one year	44,152,000	229,210,687	273,362,687
Long term liabilities:-			
– more than one year and less than five years	28,381,914	21,625,000	50,006,914
– five years or more	71,000	—	71,000
	28,452,914	21,625,000	50,077,914
	72,604,914	250,835,687	323,440,601
As at 31 May 2002			
Current liabilities:-			
– within one year	12,566,764	204,165,173	216,731,937
Long term liabilities:-			
– more than one year and less than five years	26,901,632	29,941,000	56,842,632
– five years or more	—	—	—
	26,901,632	29,941,000	56,842,632
	39,468,396	234,106,173	273,574,569

20. BORROWINGS (continued)

Company	Fixed rate RM	Floating rate RM	Total RM
As at 31 May 2003			
Current liabilities:-			
– within one year	28,468,800	30,246,502	58,715,302
Long term liabilities:-			
– more than one year and less than five years	5,338,975	—	5,338,975
	33,807,775	30,246,502	64,054,277
As at 31 May 2002			
Current liabilities:-			
– within one year	5,250,750	26,883,955	32,134,705
Long term liabilities:-			
– more than one year and less than five years	15,220,530	—	15,220,530
	20,471,280	26,883,955	47,355,235

21. HIRE-PURCHASE AND LEASE CREDITORS

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Minimum hire-purchase and lease payments:-				
– not later than one year	3,637,205	1,080,757	519,612	301,704
– later than one year and not later than five years	3,563,925	738,519	357,649	215,725
– later than five years	90,000	—	—	—
	7,291,130	1,819,276	877,261	517,429
Less: Future interest charges	(762,367)	(210,785)	(69,486)	(46,149)
Present value of hire-purchase and lease liabilities	6,528,763	1,608,491	807,775	471,280
Repayable as follows:-				
Current liabilities:-				
– not later than one year	3,277,081	935,250	468,800	250,750
Long term liabilities:-				
– later than one year and not later than five years	3,180,682	673,241	338,975	220,530
– later than five years	71,000	—	—	—
	3,251,682	673,241	338,975	220,530
	6,528,763	1,608,491	807,775	471,280

The hire-purchase and lease liabilities of the Group and of the Company bear interest at rates ranging from 3.4% to 7.5% (2002: 4.1% to 7.5%) and 4.4% to 6.5% (2002: 5.5% to 6.5%) respectively.

22. LONG TERM LOANS

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Secured				
As at 31 May	84,186,065	80,364,456	20,000,000	20,000,000
Repayable within the next twelve months (Note 20)	(37,359,833)	(24,195,065)	(15,000,000)	(5,000,000)
Repayable after the next twelve months (Note 20)	46,826,232	56,169,391	5,000,000	15,000,000

Other than as disclosed in Note 6 to the financial statements, the long term loans of the Group and of the Company are further secured by:-

- (i) a fixed and floating charge over all the property, plant and equipment of a subsidiary company;
- (ii) deed of assignment over rental proceeds derived from lease of chemical tank farm of a subsidiary company;
- (iii) quoted shares in a subsidiary company; and
- (iv) certain short term deposits of the Group.

23. SHARE CAPITAL

	Group and Company			
	2003		2002	
	Number of shares	RM	Number of shares	RM
Ordinary shares of RM1 each:-				
Authorised	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:-				
As at beginning of the financial year	120,503,195	120,503,195	120,476,195	120,476,195
Issue of ordinary shares under ESOS	4,000	4,000	27,000	27,000
As at end of the financial year	120,507,195	120,507,195	120,503,195	120,503,195

During the financial year, the issued and paid-up share capital of the Company was increased from 120,503,195 ordinary shares of RM1 each to 120,507,195 ordinary shares of RM1 each by an allotment of 4,000 new ordinary shares of RM1 each pursuant to the ESOS at the option price of RM1.29.

During the previous financial year, the Company repurchased 1,218,000 of its issued ordinary shares from the open market. The shares repurchased are being held as treasury shares in accordance with the provisions of Section 67A of the Companies Act, 1965.

Included in the total issued and fully paid share capital as at 31 May 2003 are 2,817,000 ordinary shares at a cost of RM4,142,357 arising from the share buy-back being held as treasury shares by the Company. The number of outstanding shares in issue after the share buy-back is 117,690,195 ordinary shares of RM1 each as at 31 May 2003.

24. RESERVES

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
(i) Non-distributable				
Share premium	75,051,830	75,050,674	75,051,830	75,050,674
Merger reserve	1,282,044	1,282,044	32,494,629	32,494,629
Revaluation reserve arising from revaluation of land and buildings	20,441,670	20,441,670	14,753,113	14,753,113
Capital reserve	2,400,256	2,349,307	—	—
Foreign exchange reserve	(3,144,354)	(2,132,835)	—	—
Capital redemption reserve	4,930,300	4,919,300	4,917,000	4,917,000
(ii) Distributable				
Retained profits	36,706,695	37,884,941	10,801,883	7,452,119
	137,668,441	139,795,101	138,018,455	134,667,535

Subject to the agreement of the Inland Revenue Board, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to distribute dividend out of all its retained profits as at 31 May 2003 without incurring additional tax liability.

25. DEFERRED TAX ASSETS/LIABILITIES

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
As at beginning of the financial year	5,101,401	2,170,854	302,621	285,157
Transfer from income statements (Note 31)	37,846	598,900	30,000	17,464
Deferred taxation of subsidiary company acquired	2,044,650	—	—	—
Deferred taxation of subsidiary company disposed of	—	2,380,647	—	—
Others	(45,000)	290,000	—	—
Exchange differences	(610,009)	(339,000)	—	—
As at end of the financial year	6,528,888	5,101,401	332,621	302,621
Represented by:-				
– Deferred tax assets	(8,190,000)	(7,078,000)	—	—
– Deferred tax liabilities	14,718,888	12,179,401	332,621	302,621
	6,528,888	5,101,401	332,621	302,621

The tax effects of the surplus on revaluation of the freehold and long term leasehold land and buildings have not been recognised in the financial statements as the Group has no intention of disposing of the revalued assets in the foreseeable future.

25. DEFERRED TAX ASSETS/LIABILITIES (continued)

As at 31 May 2003, the amount of timing differences of the Group which are not recognised in the financial statements are as follow:-

	2003 RM	2002 RM
Timing differences in respect of:-		
Excess of tax capital allowances over book depreciation of property, plant and equipment	(1,493,418)	(6,980,500)
Unabsorbed capital allowances and unutilised tax losses	30,960,722	39,095,000
Others	667,315	40,000
	30,134,619	32,154,500

26. PROVISION FOR RETIREMENT BENEFITS

	Group 2003 RM
As at beginning of the financial year	3,881,000
Charged to income statement	789,000
Utilised during the financial year	(1,022,000)
Exchange differences	68,000
As at end of the financial year	3,716,000

27. ADVANCES FROM DIRECTORS OF A SUBSIDIARY COMPANY

These advances are unsecured, interest-free and not repayable within the next twelve months.

28. OPERATING REVENUE

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Sale of goods	860,982,239	674,602,899	—	—
Rendering of services	46,086,196	33,933,275	6,835,497	5,993,869
Rental income	4,785,568	4,630,551	120,000	185,000
Interest income	154,426	121,034	161,480	152,092
Dividend income (gross)	693,726	350,078	24,828,464	18,210,154
Income from property development	22,890,482	1,395,246	—	—
	935,592,637	715,033,083	31,945,441	24,541,115

29. OTHER OPERATING INCOME/EXPENSES

	Group		Company	
	2003	2002	2003	2002
	RM	RM	RM	RM
Included in other operating income/expenses are exceptional items as follows:-				
Intangible assets written off	1,303,128	—	—	—
Impairment loss on property, plant and equipment	3,293,374	—	—	—
Impairment of goodwill in subsidiary companies	5,015,291	—	—	—
Impairment loss on investment in subsidiary companies (Note 8)	—	—	4,603,418	—
Write-down of goodwill in a subsidiary company	—	221,207	—	—
Write-down of assets in a subsidiary company	—	23,324,793	—	—
Gain on disposal of a subsidiary company	—	(3,712,314)	—	—

In the previous financial year, the above income/expenses were disclosed separately as exceptional items in the income statement.

Group

As at 31 May 2003:-

- (i) the fair value of a vessel of a subsidiary company based on its net selling price as disclosed in Note 44(i) has declined significantly as compared to its carrying amount. In compliance with MASB 23 "Impairment of Assets", an impairment loss of RM1,229,092 on this asset is recognised to reflect its recoverable amount;
- (ii) the fair value of certain property, plant and equipment of a subsidiary company based on its value in use has declined significantly as compared to its carrying amount due to the poor economic performance of these assets. In compliance with MASB 23 "Impairment of Assets", an impairment loss of RM1,057,282 on this asset is recognised to reflect its recoverable amount. The recoverable amount of these assets is determined by reference to its value in use. The discount rate used in the estimate of value in use is 8% per annum;
- (iii) the fair value of certain property, plant and equipment of a subsidiary company based on its net selling price has declined significantly as compared to its carrying amount. In compliance with MASB 23 "Impairment of Assets", an impairment loss of RM1,007,000 on these assets is recognised to reflect its recoverable amount; and
- (iv) the goodwill arising from consolidation of certain subsidiary companies based on its net tangible assets has declined significantly since the date of its acquisition due to its poor economic performance in the past few years. In compliance with MASB 23 "Impairment of Assets", an impairment loss of RM5,015,291 on these investments is recognised to reflect its recoverable amount. The recoverable amount of these investments is determined by reference to its value in use. The discount rate used in the estimate of value in use is 8% per annum.

Company

As at 31 May 2003:-

- (i) the fair value of an investment in a subsidiary company based on its net tangible assets has declined significantly since the date of its acquisition due to its poor economic performance in the past few years. In compliance with MASB 23 "Impairment of Assets", an impairment loss of RM3,272,419 on this investment is recognised to reflect its recoverable amount. The recoverable amount of this investment is determined by reference to its value in use. The discount rate used in the estimate of value in use is 8% per annum; and
- (ii) the fair value of an investment in a subsidiary company based on its net selling price as disclosed in Note 44(ii) has declined significantly as compared to its carrying amount. In compliance with MASB 23 "Impairment of Assets", an impairment loss of RM1,330,999 on this investment is recognised to reflect its recoverable amount.

30. PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	2003	2002	2003	2002
	RM	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Allowance for doubtful debts	5,776,503	4,694,588	—	—
Amortisation of intangible assets	4,766,920	5,360,401	—	—
Auditors' remuneration:-				
– current year	900,936	823,025	17,000	15,000
– under/(over) provision in prior years	16,350	(3,895)	—	1,000
Bad debts written off	548,059	1,072,522	127,938	283,511
Depreciation of property, plant and equipment	24,948,535	26,970,120	821,706	813,963
Dilution of interest in a subsidiary company	186,075	—	—	—
Directors' remuneration:-				
Fees				
– payable by the Company	155,000	136,573	155,000	136,573
– payable by the subsidiary companies	190,000	154,510	—	—
Salaries and other emoluments				
– paid by the Company	1,835,592	1,800,192	1,835,592	1,800,192
– paid by the subsidiary companies	1,867,700	1,674,957	—	—
Interest expense on:-				
– bank overdrafts	2,682,387	1,776,380	220,127	175,664
– term loans and revolving credits	11,447,451	12,621,849	2,427,272	2,377,356
– advances from subsidiary companies	—	—	4,237,448	4,860,062
– others	3,535,737	1,740,447	79,923	63,277
Investment in subsidiary companies written off	—	—	4	—
Inventories written off	90,228	—	—	—
Long term investment written-down	30,295	39,705	—	—
Loss on disposal of property, plant and equipment	2,847,914	—	13,976	—
Loss on partial disposal of shares in a subsidiary company	188,527	—	—	—
Property, plant and equipment written off	197,319	83,836	6,400	2,307
Provision for inventories obsolescence	357,000	—	—	—
Provision for retirement benefits	789,000	938,000	—	—
Rental of:-				
– land and premises	5,332,536	3,693,283	296,337	202,341
– others	290,683	747,090	—	—
Allowance for doubtful debts no longer required	(28,220)	(949,551)	—	—
Dividend (gross) from investment in quoted shares:-				
– in Malaysia	(275,808)	(350,078)	(275,808)	(350,078)
– outside Malaysia	(335,658)	—	(335,658)	—
Dividend (gross) from investment in unquoted shares	(6,667,000)	(9,160,000)	—	—
Dividend (gross) from unquoted subsidiary companies	—	—	(24,216,998)	(17,860,076)
Gain on disposal of investments	—	(2,795)	—	—
Gain on disposal of land	(1,001,211)	—	—	—

30. PROFIT/(LOSS) BEFORE TAXATION (continued)

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Gain on disposal of property, plant and equipment	—	(26,791)	—	(7,888)
Loss/(Gain) on foreign exchange:-				
– realised	3,698,712	6,233,547	23,522	—
– unrealised	(10,697)	(770)	—	4
Interest income from:-				
– advances to subsidiary companies	—	—	(104,545)	(145,969)
– advances to an associated company	—	—	(25,714)	—
– others	(705,713)	(758,971)	(31,221)	(6,123)
Rental income from:-				
– a subsidiary company	—	—	(120,000)	(185,000)
– others	(2,765,226)	(2,788,918)	—	—

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Company and the Group amounted to RM70,400 and RM71,000 (2002: RM98,000 and RM98,600) respectively.

31. TAXATION

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Current taxation:-				
– current year's provision				
– Malaysia	16,790,670	12,908,922	4,473,000	3,357,473
– Foreign	197,000	1,501,000	—	—
– under provision in prior years	198,099	301,468	474,179	67,410
	17,185,769	14,711,390	4,947,179	3,424,883
Transfer to deferred taxation (Note 25):-				
– current year provision	255,846	(326,100)	30,000	17,464
– (over)/under provision in prior years	(218,000)	925,000	—	—
	37,846	598,900	30,000	17,464
	17,223,615	15,310,290	4,977,179	3,442,347

The effective tax rate of the Group in 2003 is higher than the statutory rate due mainly to the non-availability of group relief where tax losses of certain subsidiary companies cannot be set-off against the taxable profits of other subsidiary companies and certain expenses being disallowed for tax purposes.

Eventhough the Group recorded a loss before taxation in 2002, provision for taxation is made mainly due to the non-availability of group relief where tax losses of certain subsidiary companies cannot be set-off against the taxable profits of other subsidiary companies and certain expenses being disallowed for tax purposes.

The effective tax rate of the Company in 2003 and 2002 is higher than the statutory rate due mainly to certain expenses which are not deductible for tax purposes.

32. EARNINGS/(LOSS) PER ORDINARY SHARE

The earnings/(loss) per ordinary share is calculated based on the Group's profit/(loss) after taxation and minority interests of RM2,273,065 (2002: loss after taxation and minority interests of RM7,764,789) and the weighted average number of 118,179,362 (2002: 118,176,028) ordinary shares in issue during the year.

The diluted earnings per share is not disclosed as the exercise price based on the assumed exercise of the option under the ESOS is higher than the average market price of the shares.

33. PRIOR YEAR ADJUSTMENT

During the financial year, as disclosed in Note 5.14(iii), the Group changed its accounting policy with respect to dividends proposed or declared after the balance sheet date to comply with MASB 19 "Events After the Balance Sheet Date". The prior year adjustment is in respect of the proposed final dividend for the financial years ended 31 May 2001 and 31 May 2002 respectively.

This change in accounting policy has been accounted for retrospectively and the effects are dealt with as prior year adjustments as disclosed in Note 48 to the financial statements.

34. DIVIDENDS

	Group and Company	
	2003 RM	2002 RM
Proposed final dividend of 4 sen (2002: 4 sen) per share, less income tax	3,389,478	3,389,362

The Board of Directors proposed a final gross dividend on ordinary shares of 4 sen per share, less income tax, amounting to RM3,389,478 in respect of the financial year ended 31 May 2003. In compliance with MASB 19 "Events After the Balance Sheet Date", dividends proposed or declared subsequent to the financial year to which they relate are not reflected in the financial statements. These dividends are not recognised as a liability at the balance sheet date and will be accounted for as an appropriation of retained earnings in the financial year ending 31 May 2004 when approved by members at the forthcoming Annual General Meeting. This represents a change in accounting policy from that of prior years as explained in Note 33.

35. ACQUISITION OF SUBSIDIARY COMPANIES

The fair value of assets acquired and liabilities assumed are as follows:-

	Group	
	2003 RM	2002 RM
Property, plant and equipment	43,411,250	4,857,923
Investments	—	18,270
Intangible assets	262,300	—
Inventories	—	1,847,729
Trade receivables	5,313,088	499,031
Other receivables, deposits and prepayments	1,357,753	1,155,120
Short term deposits	34,400	—
Cash and bank balances	947,809	1,201,614

35. ACQUISITION OF SUBSIDIARY COMPANIES (continued)

The fair value of assets acquired and liabilities assumed are as follows:- (continued)

	Group	
	2003 RM	2002 RM
Trade payables	(2,313,909)	(3,321,826)
Other payables	(5,164,686)	(293,542)
Bank overdrafts	(1,537,250)	—
Other borrowings	(20,162,700)	(973,609)
Deferred tax liabilities	(2,044,650)	—
Tax liabilities	(387,000)	—
Minority interests	(10,739,178)	(2,259,794)
Net assets acquired	8,977,227	2,730,916
Goodwill on acquisition	4,326,546	1,805,276
Total cost of investment	13,303,773	4,536,192
Less: Transfer from investment in associated company	—	(2,676,472)
Cash and cash equivalents of subsidiary companies acquired	555,041	(1,201,614)
Cash outflow on acquisition, net of cash and cash equivalents acquired	13,858,814	658,106

36. DISPOSAL OF SUBSIDIARY COMPANIES IN 2002

	Group 2002 RM
The fair values of assets and liabilities disposed of are as follows:-	
Property, plant and equipment	25,162,416
Investment in an associated company	80,000
Other investments	202,000
Inventories	3,974,935
Receivables	9,156,026
Tax recoverable	144,000
Bank overdrafts	(200,521)
Payables	(7,602,124)
Hire-purchase creditors	(78,016)
Short term bank borrowings	(17,691,438)
Foreign exchange reserve	9,792,206
Future income tax benefits	2,380,647
Share of net assets disposed of	25,320,131
Goodwill	245,374
Minority interest	(561,059)
Write-down of assets in a subsidiary company	(23,324,793)
Write-down of goodwill in a subsidiary company	(221,207)
Gain on disposal of investment	3,712,314
Total disposal proceeds	5,170,760
Cash and cash equivalents in subsidiary companies disposed of	200,521
Net cash inflow on disposal	5,371,281

37. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:-

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Purchase of property, plant and equipment (Note 6)	17,189,230	24,117,954	1,185,866	214,702
Financed by hire-purchase and lease arrangements	(3,382,531)	(237,700)	(791,000)	—
Cash payments on purchase of property, plant and equipment	13,806,699	23,880,254	394,866	214,702

38. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:-

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Bank overdrafts	(18,316,475)	(12,073,110)	(1,846,502)	(3,483,955)
Short term deposits	20,172,058	23,301,236	—	—
Cash and bank balances	50,478,255	32,552,146	81,962	27,641
	52,333,838	43,780,272	(1,764,540)	(3,456,314)
Less: Short term deposits pledged with licensed banks	(2,996,704)	(1,842,160)	—	—
	49,337,134	41,938,112	(1,764,540)	(3,456,314)

	Group 2003 RM	Company 2003 RM
The currency exposure profile of cash and bank balances is as follows:-		
– Ringgit Malaysia	49,178,820	81,962
– Singapore Dollar	1,127,550	—
– US Dollar	79,252	—
– Hong Kong Dollar	88,633	—
– Others	4,000	—
	50,478,255	81,962

The interest rates of the deposits during the financial year range from 0.2% to 4.0% (2002: 1.0% to 3.5%) per annum.

The short term deposits have maturity periods ranging from 30 to 365 days (2002: 30 to 180 days). Bank balances and deposits are held at call with licensed banks.

39. FINANCIAL INSTRUMENTS

(a) Credit risk

As at 31 May 2003, the Group has trade receivables of RM262,650,136, net of allowance for doubtful debts of RM11,914,551, and placement of RM20,172,058 in short term deposits with some major financial institutions in Malaysia and overseas. Other than as mentioned, the Group has no significant concentration of credit risk. The maximum exposures to credit risk are represented by the carrying amounts of the financial assets in the balance sheet.

(b) Foreign exchange risk

As at 31 May 2003, the Group has entered into forward foreign exchange contracts with the following notional amounts which mature within one year:-

	Currency	Notional amount RM
Forward contract used to hedge trade receivables	US Dollar	26,417,000
	Sterling Pound	9,594,000
	Euro	5,021,000
		41,032,000
Forward contract used to hedge trade payables	Japanese Yen	840,000
	Sterling Pound	777,000
	US Dollar	243,000
	Euro	85,000
	Singapore Dollar	60,000
		2,005,000
Forward contract used to hedge future sales	Euro	8,544,000
Forward contract used to hedge future purchases	Sterling Pound	1,428,000

(c) Fair values

The carrying amounts of the financial assets and liabilities of the Group and of the Company as at 31 May 2003 approximate their fair values except as set out below:-

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Quoted investments other than quoted investments in a subsidiary company	40,482,278	18,803,696	40,482,278	18,803,696
Unquoted investments	3,796,578	#	216,578	#
Amount owing by subsidiary companies	—	—	36,557,036	*
Amount owing to subsidiary companies	—	—	56,851,178	*

39. FINANCIAL INSTRUMENTS (continued)**(c) Fair values (continued)**

A reasonable estimate of fair value could not be made without incurring excessive costs. However, the Group and the Company believe that the carrying amount represents the recoverable value. Such investments are valued at cost less provision for diminution in value, if any.

* It is not practical to estimate the fair value of amounts owing by/to its subsidiary companies due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs. However, the Company does not anticipate the carrying amount recorded at the balance sheet date to be significantly different from the values that would eventually be settled.

40. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group	
	2003	2002
	RM	RM
Commission received from Transmare - Chemie Handelsgesellschaft mbH	55,520	89,300
Consultancy fees paid to Mount Top Management Limited	51,622	10,227
Sales to:-		
– Fernz Timber Protection Sdn. Bhd.	1,068,364	1,437,546
– Info One Services Sdn. Bhd.	386,900	—
Purchases from:-		
– Ancom Kimia Sdn. Bhd.	150,759,977	59,804,606
– Transmare - Chemie (Singapore) Pte. Ltd.	237,450	—
– Transmare - Chemie Handelsgesellschaft mbH	85,951	35,964
Commission paid and payable to Fernz Timber Protection (M) Sdn. Bhd.	451,875	387,939
Interest paid and payable to Ancom Kimia Sdn. Bhd.	—	3,903
Insurance premium paid to Pacific & Orient Insurance Co. Berhad	1,218,331	1,146,377

These transactions are entered into in the ordinary course of business and have been established under negotiated terms.

The relationships between the Group and the related parties other than that stated below are disclosed in Note 47 to the financial statements.

Identity of related party	Relationship with the Group
Pacific & Orient Insurance Co. Berhad	A company in which a director of Ancom Berhad has a substantial indirect shareholding
Mount Top Management Limited	A company in which a director of ChemResources China (Agencies) Limited is a consultant
Info One Services Sdn. Bhd.	A corporate shareholder of a subsidiary company

41. CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements are as follows:-

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Authorised and contracted for	1,121,149	17,676,213	—	3,150,373
Authorised but not contracted for	3,918,030	2,859,000	—	—
	5,039,179	20,535,213	—	3,150,373
Analysed as follows:-				
– Property, plant and equipment	5,039,179	4,831,340	—	166,500
– Investments	—	15,703,873	—	2,983,873
	5,039,179	20,535,213	—	3,150,373

42. CONTINGENT LIABILITIES

Company - Unsecured

As at 31 May 2003, the Company has given corporate guarantees amounting to RM12,907,741 (2002: RM22,066,196) to financial institutions for credit facilities granted to and utilised by certain subsidiary companies.

Group

(i) Secured

One of the subsidiary companies has a contingent liability which is not readily ascertainable in respect of the fulfilment of filling and levelling conditions in the mining lease. The Group provided a bank guarantee amounting to RM140,000 which is secured by the Group's short term deposit for due performance of the abovementioned conditions.

(ii) Unsecured

	2003 RM	2002 RM
Bills discounted with banks	1,384,000	1,617,000

43. SIGNIFICANT EVENTS

During the financial year:-

- (i) Synergy Tanker Sdn. Bhd., a wholly-owned subsidiary of the Company, completed its acquisition of 2,494,574 ordinary shares of SGD1 each representing 50.96% equity interest in SMIT for a total cash consideration of SGD6.0 million or RM13.3 million equivalent.
- (ii) Syarikat Wandeerfull Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into two share sale agreements to dispose of its entire interest in its 70% owned subsidiary, Wandeerfull Property & Development Sdn. Bhd., comprising 350,000 ordinary shares of RM1 each, for a total cash consideration of RM4,791,000. This transaction has been completed subsequent to the financial year end.

43. SIGNIFICANT EVENTS (continued)

- (iii) The Company's proposed share issue of up to 10% of the Company's issued and paid-up share capital by way of a private placement ("Proposed Private Placement") to raise proceeds to repay some of the Company's bank borrowings was approved by the Securities Commission ("SC") and Foreign Investment Committee ("FIC") on 29 October 2002 and 18 November 2002 respectively. Upon the Company's application, the SC granted an extension to 28 October 2003 for the Company to complete the Proposed Private Placement.
- (iv) During the year, Nylex (Malaysia) Berhad ("Nylex"), a subsidiary of the Company, proposed a capital re-construction as follows:-
 - (a) the proposed cancellation of fifty (50) sen from the entire issued and paid-up share capital of Nylex comprising 224,487,720 ordinary shares of RM1 each to be undertaken under Section 64 of the Companies Act, 1965 resulting in a capital reserve of RM112,243,860 ("Proposed Nylex Capital Reduction");
 - (b) the proposed consolidation of 224,487,720 ordinary shares of RM0.50 each in Nylex after the Proposed Nylex Capital Reduction into 112,243,860 ordinary shares of RM1 each in Nylex ("Proposed Nylex Share Consolidation"); and
 - (c) the proposed distribution of Nylex's entire investment in Tamco Corporate Holdings Berhad ("Tamco"), comprising a proposed share capital of RM112,243,860 to be made up of 224,487,720 ordinary shares of RM0.50 each, to the entitled shareholders of Nylex on the basis of two (2) ordinary shares of RM0.50 each in Tamco for every one (1) ordinary share of RM1 each in Nylex after the Proposed Nylex Share Consolidation on a date to be determined later ("Proposed Nylex Capital Distribution").
- (v) The Company entered into a conditional sale and purchase agreement, a supplement agreement and an addendum with Nylex for the proposed disposal of the entire equity interest in its wholly owned subsidiaries, namely, Perusahaan Kimia Gemilang Sdn. Bhd., Fermpro Sdn. Bhd., Kumpulan Kesuma Sdn. Bhd. and Wedon Sdn. Bhd. to Nylex for a total sale consideration of RM64,427,000 to be satisfied by the issuance of 64,427,000 new ordinary shares of RM1 each in Nylex at par to be credited as fully paid-up after the Proposed Nylex Share Consolidation as mentioned in (iv)(b) ("Proposed Disposal").

The Proposed Disposal is inter-conditional. It is conditional upon the fulfilment of all the conditions precedent in the conditional sale and purchase agreement, the supplement agreement and the addendum and the completion of the Proposed Nylex Capital Reduction, Proposed Nylex Share Consolidation and the proposed waiver for the Company to undertake a general offer for the remaining Nylex shares not owned by the Company and parties acting in concert with it after the Proposed Disposal ("Proposed Waiver"). The Proposed Disposal is not conditional upon the completion of the Proposed Nylex Share Distribution.

44. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The following are the significant events subsequent to the balance sheet date:-

- (i) In June 2003, Elderberry Sdn. Bhd. ("ESB"), a wholly-owned subsidiary of the Company, entered into a Memorandum of Agreement with a third party, for the disposal of its vessel, MT Norella, for cash consideration of US\$230,000 or RM874,000 equivalent. This transaction has been completed in July 2003.

This transaction has resulted in the Group suffering a loss on disposal of RM1.37 million, being the difference between the sale proceeds and the net book value of the vessel as at the date of disposal and the related expenses to be incurred in the disposal. An impairment loss on the value of the vessel amounting to RM 1,229,092 has been made in the income statement in the current financial year as explained in Note 29 (i).

44. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE (continued)

(ii) In June 2003:-

- (a) Ancom Energy & Services Sdn. Bhd. ("AES"), a 55% owned subsidiary, entered into a conditional sale and purchase agreement with Botco Sdn. Bhd. ("Botco"), a party in which one of its directors/a substantial shareholder is related to one of the Company's Directors, for the disposal of its entire 2,502,000 ordinary shares of RM1 each representing 90% equity interest in Material Performance Engineering Sdn. Bhd. ("MPE") for cash consideration of RM3,500,000; and
- (b) The Company entered into a conditional sale and purchase agreement with Botco for the disposal of 13,310 8% Non-convertible Cumulative Redeemable Preference Shares ("NCRPS") out of a total of 26,940 NCRPS held by the Company, for cash consideration of RM1.

The proposed transactions mentioned above are subject to the approvals of the FIC and other authorities, if applicable.

The proposed transactions will result in the Company suffering a loss on disposal of its investment in the NCRPS of RM1,330,999 which has been accounted for as an impairment loss on investment in a subsidiary company in the current financial year as explained in Note 29(ii).

(iii) Upon completion of the proposed transactions in (ii) above, MPE will issue a total of 1,331,000 and 1,363,000 new ordinary shares of RM1 each to Botco and the Company respectively at par, the proceeds of which will be used for the purpose to redeem all the NCRPS held by Botco and the Company in MPE. The Company's interest in MPE will be reduced from 49.5% indirectly to 24.9% directly after the proposed sale and the proposed subscription of the new ordinary shares in MPE as mentioned above.

(iv) In July 2003, the Company announced a proposed re-organisation of its subsidiary companies involving in the transportation and logistic business as follows:-

- (a) Proposed disposal by the Company of its entire 100% equity interest in Ancom Ship Management Sdn. Bhd. ("ASMSB"), Synergy Point Sdn. Bhd. ("SPSB"), Synergy Concepts Sdn. Bhd. ("SCSB"), and 51% equity interest in Ancom-ChemQuest Terminals Sdn. Bhd. ("ACQT") to a newly set up company, Synergy Trans-Link Sdn. Bhd. ("STL"), for a total sale consideration of RM19,608,617 to be satisfied by STL issuing to the Company 137,268,936 new ordinary shares and 16,954,840 new ordinary shares of RM0.10 each at an issue price of RM0.10 and approximately RM0.12 each respectively and 39,217,234 zero coupon Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at an issue price of RM0.10 each;
- (b) Proposed acquisition by SMIT of the remaining 30% equity interest in PCSB from the remaining shareholders of PCSB for a total consideration of RM2,166,808 to be satisfied by SMIT issuing a total of 739,651 new ordinary shares of S\$1.00 each at an issue price of approximately S\$1.35 per share to the Vendors;
- (c) Proposed disposal by STSB of its entire 3,210,815 ordinary shares or 45.61% equity of SMIT (after the proposed acquisition of PCSB as mentioned above) to STL for a total consideration of RM13,303,771 to be satisfied by STL issuing a total of 67,167,648 new ordinary shares of RM0.10 each at an issue price of approximately RM0.16 per share and 26,607,542 ICULS at an issue price of RM0.10 each;

The other shareholders of SMIT have also proposed to dispose their entire remaining 54.39% interest in SMIT (after the proposed acquisition of PCSB as mentioned in (b) above) to STL for a total consideration of RM15,864,769 to be satisfied by STL issuing 80,097,530 new ordinary shares of RM0.10 each at an issue price of approximately RM0.16 per share and 31,729,538 ICULS at an issue price of RM0.10 each;

- (d) Pursuant to the proposed transactions mentioned above, STL will capitalise the debts owing by SPSB, SCSB and ASMSB to ESB (as defined in (i) above) totalling RM1,985,223 which have been assigned to the Company by the issuance of 19,852,230 ICULS at an issue price of RM0.10 each.

44. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE (continued)

The proposed transactions above are subject to the approval of the FIC. They are further subject to the approvals from:-

- the SC for the issuance of the ICULS by STL; and
- Bank Negara Malaysia for the issuance of ICULS and new ordinary shares in STL to a Singaporean.

Upon the completion of the proposed transactions, the Company and STSB will hold a total of 72.9% equity interest in STL which would then hold the entire 100% equity in SPSB, SCSB, ASMSB, SMIT, PCSB and 51% equity in ACQT.

- (v) In July 2003, the issued and paid-up share capital of the Company was increased from 120,507,195 ordinary shares to 120,522,195 ordinary shares, through the issuance of 15,000 new ordinary shares of RM1 each at par pursuant to the exercise of the options under the ESOS.
- (vi) In August 2003, the Company purchased an aggregate of 25,876,000 ordinary stock units representing 11.1% equity interest in Eastern & Oriental Berhad ("E&O"), a company listed on the Kuala Lumpur Stock Exchange, for total cash consideration of RM16.7 million. The Company's shareholding in E&O, after the purchases, increased to 47,479,552 ordinary stock units representing 20.4% equity interest in E&O and 3,273,250 warrants 2001/2011 in E&O.

Subsequently, the Company disposed of its entire 3,273,250 warrants 2001/2011 in E&O for cash consideration of RM1.6 million. The Company further disposed of 34,000,000 ordinary stock units in E&O for cash consideration of RM42.5 million. With the disposals, the Company's interest in E&O was reduced to 13,479,552 ordinary stock units representing 5.8% equity interest in E&O. The disposals of the warrants and the ordinary stock units in E&O have resulted in a gain of RM10.4 million (after brokerage and other expenses) to the Company and the Group respectively.

- (vii) In August 2003, the Company issued and allotted a total of 11,700,000 new ordinary shares of RM1 each at par for cash pursuant to the Proposed Private Placement mentioned in 43(iii) above. As a result, the paid-up share capital of the Company increased from 120,522,195 ordinary shares to 132,222,195 ordinary shares of RM1 each.
- (viii) In August 2003, the shareholders of the Company approved the Proposed Disposal. Approvals have also been obtained by Nylex from its shareholders for the Proposed Nylex Capital Reduction, Proposed Nylex Share Consolidation, Proposed Nylex Capital Distribution, the proposed listing of Tamco ("Proposed Listing") and the Proposed Waiver. The Proposed Disposal is now pending Nylex obtaining the approval from the authorities for the Proposed Listing and the approval of the High Court for the Proposed Nylex Capital Reduction.
- (ix) From 1 August - 17 September 2003, the issued and paid-up share capital of the Company was increased from 132,222,195 ordinary shares to 132,332,195 ordinary shares, through the issuance of 100,000 and 10,000 new ordinary shares of RM1 each at an issue price of RM1 and RM1.29 each respectively pursuant to the exercise of the options under the ESOS

45. NUMBER OF EMPLOYEES AND STAFF COSTS

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
The number of employees including executive directors at the end of the financial year	2,072	1,951	30	31
Staff costs for the financial year	88,111,265	81,772,570	2,855,850	2,626,161

46. SEGMENTAL INFORMATION

The Group's operations comprise the following main business segments:-

Investment holding	: Investment holding
Agricultural and industrial chemicals	: Manufacture and sale of agricultural and industrial chemical products
Oil and gas services	: Supply of goods and services to oil and gas industry
Logistic	: Ship-owning, ship-operating, transportation, container haulage, bulk cargo handling, chemicals warehousing and related services
Property development	: Development of residential properties
Information technology ("IT")	: Provision of IT services and sales of computer hardware and software
Polymer	: Manufacturing and marketing of polymer products
Engineering	: Trading, contracting and marketing in electrical engineering products
Building products	: Manufacture and marketing of metal roof tiles
Others	: Dormant and inactive companies

The inter-segment transactions were entered in the normal course of business and were on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

46. SEGMENTAL INFORMATION (continued)**(a) Business segment**

	Investment holding	Agricultural and industrial chemicals	Oil and gas services	Logistic	Property development	Information technology	Polymer	Engineering	Building products	Others	Elimination	Consolidated
2003	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Revenue												
External sales	861,509	459,649,478	35,561,911	29,345,602	22,890,484	942,653	117,448,000	255,192,000	13,701,000	—	—	935,592,637
Inter-segment sales	7,060,041	20,828,931	—	6,557,331	—	1,116,998	10,000	—	—	—	(35,573,301)	—
Total	7,921,550	480,478,409	35,561,911	35,902,933	22,890,484	2,059,651	117,458,000	255,192,000	13,701,000	—	(35,573,301)	935,592,637
Result												
Segment results	961,037	9,866,170	(2,576,331)	1,530,162	10,603,609	(8,189,899)	11,119,000	18,864,000	1,666,000	86,929	—	43,930,677
Unallocated corporate expenses												1,075,000
Operating profits												45,005,677
Finance cost												(17,531,441)
Share of results of associated companies	—	1,016,764	—	—	—	(1,335,815)	—	15,000	—	—	—	(304,051)
Profit before tax												27,170,185
Tax expense												(17,659,096)
Profit from ordinary activities												9,511,089
Minority interests												(7,238,024)
Net profit for the financial year												2,273,065

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ANCOM BERHAD (8440-M)

46. SEGMENTAL INFORMATION (continued)

(a) Business segment (continued)

	Investment holding RM	Agricultural and industrial chemicals RM	Oil and gas services RM	Logistic RM	Property development RM	Information technology RM	Polymer RM	Engineering RM	Building products RM	Others RM	Elimination RM	Consolidated RM
2003												
Other information												
Segment assets	108,876,956	233,090,867	36,067,946	98,627,798	51,786,654	22,344,653	181,608,000	263,935,000	15,552,000	—	(172,785,036)	839,104,838
Investment in associated companies	—	7,372,186	—	—	—	2,879,365	—	4,556,000	—	—	—	14,807,551
Goodwill on consolidation	—	—	—	—	—	—	—	—	—	—	—	—
Unallocated corporate assets	—	—	—	—	—	—	—	—	—	—	—	57,548,957
Total assets	174,235,722	126,680,330	15,840,549	44,168,258	28,766,786	21,242,535	47,344,000	248,470,000	4,560,000	—	(241,363,093)	469,945,087
Segment liabilities	174,235,722	126,680,330	15,840,549	44,168,258	28,766,786	21,242,535	47,344,000	248,470,000	4,560,000	—	(241,363,093)	469,945,087
Unallocated corporate liabilities	—	—	—	—	—	—	—	—	—	—	—	58,542,000
Total liabilities	174,235,722	126,680,330	15,840,549	44,168,258	28,766,786	21,242,535	47,344,000	248,470,000	4,560,000	—	(241,363,093)	469,945,087
Capital expenditure	1,199,866	4,209,273	2,251,872	46,317,646	—	734,850	3,895,000	4,150,000	236,000	—	—	62,994,507
Unallocated capital	—	—	—	—	—	—	—	—	—	—	—	205,000
Depreciation and amortisation	828,758	2,337,170	2,580,583	6,171,015	28,187	1,919,742	7,020,000	8,124,000	602,000	—	—	29,611,455
Unallocated depreciation	—	—	—	—	—	—	—	—	—	—	—	104,000
Impairment losses on property, plant and equipment	—	—	—	1,229,092	—	1,057,282	1,007,000	—	—	—	—	3,293,374
Impairment losses on goodwill	—	—	4,879,291	—	—	—	136,000	—	—	—	—	5,015,291
Allowance for doubtful debts	—	2,518,119	16,466	57,918	—	—	(94,000)	3,144,000	134,000	—	—	5,776,503
Intangible assets written off	—	15,646	—	267,302	—	1,020,180	—	—	—	—	—	1,303,128
Loss on disposal of property, plant and equipment	13,976	2,475,571	(41,871)	169,275	—	58,963	20,000	224,000	(72,000)	—	—	2,847,914
Bad debts written off	127,938	150,747	6,191	—	—	255,183	—	8,000	—	—	—	548,059

46. SEGMENTAL INFORMATION (continued)**(a) Business segment (continued)**

	Investment holding	Agricultural and industrial chemicals	Oil and gas services	Logistic	Property development	Information technology	Polymer	Engineering	Building products	Others	Elimination	Consolidated
2002	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Revenue												
External sales	741,165	266,211,445	43,606,804	11,743,797	2,552,809	24,304,116	98,343,364	242,524,504	25,005,079	—	—	715,033,083
Inter-segment sales	6,324,838	16,826,198	—	7,078,084	—	3,400,715	—	—	—	—	(33,629,835)	—
Total	7,066,003	283,037,643	43,606,804	18,821,881	2,552,809	27,704,831	98,343,364	242,524,504	25,005,079	—	(33,629,835)	715,033,083
Result												
Segment results	1,520,313	9,767,236	7,564,223	2,142,613	(285,080)	539,975	12,138,000	(14,935,000)	19,755,000	(14,627)	—	38,192,653
Unallocated corporate expenses												(41,325,000)
Operating loss												(3,132,347)
Finance cost												(16,331,135)
Share of results of associated companies	—	1,576,122	—	—	—	(1,305,765)	—	227,000	—	—	—	497,357
Loss before tax												(18,966,125)
Tax expense												(15,819,323)
Loss from ordinary activities												(34,785,448)
Minority interests												27,020,659
Net loss for the financial year												(7,764,789)

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ANCOM BERHAD (8440-M)

46. SEGMENTAL INFORMATION (continued)

(a) Business segment (continued)

2002	Business segment (continued)										Elimination RM	Consolidated RM
	Investment holding RM	Agricultural and industrial chemicals RM	Oil and gas services RM	Logistic RM	Property development RM	Information technology RM	Polymer RM	Engineering RM	Building products RM	Others RM		
Other information												
Segment assets	90,561,572	179,887,301	36,822,099	51,840,377	43,742,862	37,585,295	163,879,000	296,914,000	15,959,000	4,701	(147,427,441)	769,768,766
Investment in associated companies	—	7,191,434	—	—	—	4,048,510	—	3,733,000	—	—	—	14,972,944
Goodwill on consolidation	—	—	—	—	—	—	—	—	—	—	—	59,027,635
Unallocated corporate assets	—	—	—	—	—	—	—	—	—	—	—	3,646,000
Total assets												847,415,345
Segment liabilities	145,788,688	75,514,277	18,323,649	18,145,580	11,188,842	25,995,426	37,864,000	282,408,000	7,375,000	91,627	(235,694,923)	387,000,166
Unallocated corporate liabilities	—	—	—	—	—	—	—	—	—	—	—	67,799,000
Total liabilities												454,799,166
Capital expenditure	214,702	10,408,131	8,219,182	240,522	2,216	1,677,580	2,857,000	9,400,000	21,000	—	—	33,040,333
Unallocated capital expenditure	—	—	—	—	—	—	—	—	—	—	—	224,000
Depreciation and amortisation	819,016	2,762,629	4,195,710	4,704,765	27,853	1,870,548	7,140,000	8,426,000	2,274,000	—	—	32,220,521
Unallocated depreciation	—	—	—	—	—	—	—	—	—	—	—	110,000
Write-down of assets in a subsidiary	—	—	—	—	—	—	—	—	—	—	—	—
company	—	—	—	—	—	—	—	—	23,324,793	—	—	23,324,793
Allowance for doubtful debts	—	125,687	160,901	—	—	—	(150,000)	4,505,000	53,000	—	—	4,694,588
Bad debts written off	283,511	(1,639)	—	—	—	51,650	—	739,000	—	—	—	1,072,522

46. SEGMENTAL INFORMATION (continued)**(b) Geographical segment**

The Group operates mainly in Malaysia. It also has operations in Singapore, China, Hong Kong, Australia and Indonesia. In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Total assets and capital expenditure are based on the geographical location of assets.

	Revenue		Segment assets		Capital expenditure	
	2003 RM	2002 RM	2003 RM	2002 RM	2003 RM	2002 RM
Malaysia	478,417,067	389,500,417	655,044,870	621,811,251	15,280,294	27,632,465
Singapore	86,349,021	51,165,822	68,538,707	14,403,692	46,125,170	93,000
Philippines	22,504,354	17,896,794	—	—	—	—
China	107,667,790	62,420,339	54,863,000	61,816,000	416,000	285,000
Hong Kong	85,907,514	61,569,547	16,580,975	22,618,773	171,043	4,866,868
Australia	8,604,363	11,912,925	32,886,005	34,117,005	864,000	102,000
Indonesia	39,522,450	34,371,926	11,189,000	14,973,000	138,000	61,000
Middle East	37,766,000	10,385,000	—	—	—	—
Europe	22,059,000	31,827,959	—	—	—	—
Thailand	16,634,985	10,205,517	—	—	—	—
Other countries	30,160,093	33,776,837	2,281	29,045	—	—
	935,592,637	715,033,083	839,104,838	769,768,766	62,994,507	33,040,333

47. SUBSIDIARY AND ASSOCIATED COMPANIES

Details of subsidiary companies are as follows:-

Company	Country of incorporation	Effective equity interest		Principal activities
		2003	2002	
Ancom Crop Care Sdn. Bhd.	Malaysia	100%	100%	Manufacture and sale of agricultural chemical products
Polytensides Sdn. Bhd.	Malaysia	100%	100%	Manufacture of agricultural products and chemicals
Timber Preservatives Sdn. Bhd.	Malaysia	51%	51%	Manufacture and distribution of timber preservatives and chemicals
° Sun Chemicals Sdn. Bhd.	Malaysia	100%	100%	Dormant
Ancom Overseas Ventures Sdn. Bhd.	Malaysia	100%	100%	Investment holding company and provision of management services

47. SUBSIDIARY AND ASSOCIATED COMPANIES (continued)

Company	Country of incorporation	Effective equity interest		Principal activities
		2003	2002	
Fermpro Sdn. Bhd.	Malaysia	100%	100%	Manufacture and marketing of ethanol
Perusahaan Kimia Gemilang Sdn. Bhd.	Malaysia	100%	100%	Trading in petrochemicals and industrial chemicals
Kumpulan Kesuma Sdn. Bhd.	Malaysia	100%	100%	Manufacture and marketing of sealants and adhesive products
Wedon Sdn. Bhd.	Malaysia	100%	100%	Trading in sealants and adhesive products
Ancom-ChemQuest Terminals Sdn. Bhd.	Malaysia	51%	51%	Build, own, operate and manage chemical tank farm
Ancom Energy & Services Sdn. Bhd.	Malaysia	55%	55%	Supply of goods and services to oil and gas industry
Elderberry Sdn. Bhd.	Malaysia	100%	100%	Ship-owning and ship-operating. Disposed of the ship subsequent to the financial year end
Synergy Concepts Sdn. Bhd.	Malaysia	100%	100%	Ship-owning and ship-operating
Synergy Point Sdn. Bhd.	Malaysia	100%	100%	Ship-owning and ship-operating
Synergy Tanker Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Ancom Ship Management Sdn. Bhd.	Malaysia	100%	100%	Ship management
WorldSOL.com Sdn. Bhd.	Malaysia	100%	100%	Provision of business to business exchange portal services, portal development services, web and multimedia design and other related services
° Norwood Sdn. Bhd.	Malaysia	100%	100%	Dormant
* Syarikat Wandeerfull Sdn. Bhd.	Malaysia	100%	100%	Investment holding, dealing in and subletting of land
* Bullion Mining and Developments Sendirian Berhad	Malaysia	100%	100%	Property development and investment holding
* Rhodemark Development Sdn. Bhd.	Malaysia	50.1%	50.1%	Investment holding
° Ancom (Hong Kong) Limited	Hong Kong	100%	100%	Dormant
* MSTi Corporation Sdn. Bhd.	Malaysia	50.1%	50.1%	Trading of computer hardware and software and rendering of IT related consulting services

47. SUBSIDIARY AND ASSOCIATED COMPANIES (continued)

Company	Country of incorporation	Effective equity interest		Principal activities
		2003	2002	
Subsidiary companies of Ancom Crop Care Sdn. Bhd.				
OrganiGro Sdn. Bhd.	Malaysia	77.44%	69.6%	Production and trading of organic fertilizers
Ancom Garden Products Sdn. Bhd.	Malaysia	100%	100%	Distributing garden products
° Consolidated Specialties Sdn. Bhd.	Malaysia	100%	100%	Trading in industrial textile chemicals
* Ancom do Brasil Ltda	Brazil	99.9%	99.9%	Dormant. Holder of licenses for certain agricultural chemical products
> Ancom Argentina S.A.	Argentina	—	99.9%	Dormant
* Ancom Australia Pty. Ltd.	Australia	100%	100%	Dormant. Holder of licenses for certain agricultural chemical products
* Malancom Agrochemicals (Pty.) Limited	South Africa	100%	100%	Dormant. Holder of licenses for certain agricultural chemical products
Subsidiary company of Ancom Overseas Ventures Sdn. Bhd.				
* ChemResources China (Agencies) Limited	Hong Kong	54.7%	54.7%	Distributor of printing ink solvent and industrial chemicals
Subsidiary companies of ChemResources China (Agencies) Limited				
°* ChemResources China (Coating) Limited	Hong Kong	54.7%	54.7%	Dormant
°* ChemSing Chemicals Distribution (China) Limited	Hong Kong	25.5%	25.5%	Dormant

47. SUBSIDIARY AND ASSOCIATED COMPANIES (continued)

Company	Country of incorporation	Effective equity interest		Principal activities
		2003	2002	
Subsidiary companies of Ancom Energy & Services Sdn. Bhd.				
Tubex Sdn. Bhd.	Malaysia	49.5%	55%	Provide threading and ancillary services
Akra Engineering Sdn. Bhd.	Malaysia	53.1%	53.1%	Manufacture of steel structures for oil and gas industries and other related maintenance and engineering services
AES Mayak Sdn. Bhd.	Malaysia	55%	55%	Dormant
Material Performance Engineering Sdn. Bhd.	Malaysia	49.5%	49.5%	Investment holding, trading of anodes and cathodic protection equipment and provision of technical training services
Indah Segar Sdn. Bhd.	Malaysia	55%	55%	Technical and consulting services in the field of corrosion protection, material design, evaluation and environment engineering related work activities
Subsidiary company of Material Performance Engineering Sdn. Bhd.				
MPE Lindung Sdn. Bhd.	Malaysia	49.5%	49.5%	Manufacture and supply of anodes and cathodic protection equipment
Subsidiary company of Synergy Tanker Sdn. Bhd.				
* SM Integrated Transware Pte. Ltd.	Singapore	51.0%	—	Providing transportation, container haulage, bulk cargo handling, chemical warehousing and drumming services
Subsidiary company of SM Integrated Transware Pte. Ltd.				
* Pengangkutan Cogent Sdn. Bhd.	Malaysia	35.7%	—	Providing transportation and related services

47. SUBSIDIARY AND ASSOCIATED COMPANIES (continued)

Company	Country of incorporation	Effective equity interest		Principal activities
		2003	2002	
Subsidiary company of Perusahaan Kimia Gemilang Sdn. Bhd.				
* Dynamic Chemical Trading Pte. Ltd.	Singapore	100%	100%	Trading in industrial chemicals
Subsidiary company of WorldSOL.com Sdn. Bhd.				
MSB Solutions Sdn. Bhd.	Malaysia	50.1%	—	Providing IT related services
Subsidiary companies of Syarikat Wandeerfull Sdn. Bhd.				
* Wandeerfull Industries Sdn. Bhd.	Malaysia	100%	100%	Dormant
* Wandeerfull Property & Development Sdn. Bhd.	Malaysia	70%	70%	Property development
Subsidiary company of Wandeerfull Property & Development Sdn. Bhd.				
* Wandeerfull Mining Sdn. Bhd.	Malaysia	70%	70%	Dormant
Subsidiary company of Rhodemark Development Sdn. Bhd.				
* Nylex (Malaysia) Berhad	Malaysia	26%	26%	Manufacture and marketing of vinyl-coated fabrics, calendered film and sheeting and other polymer products, including geotextiles and prefabricated sub-soil drainage systems
Subsidiary companies of Nylex (Malaysia) Berhad				
* Tamco Corporate Holdings Berhad	Malaysia	26%	26%	Design, manufacture, supply, installation, commissioning and maintenance of switchgear equipment and systems of power distribution
* Zonson Sports (Malaysia) Sdn. Bhd.	Malaysia	20.8%	20.8%	Manufacture and marketing of quality golf bags. Ceased operations during the financial year

47. SUBSIDIARY AND ASSOCIATED COMPANIES (continued)

Company	Country of incorporation	Effective equity interest 2003	Effective equity interest 2002	Principal activities
* Malaysian Roofing Industries Sdn. Bhd.	Malaysia	18.2%	18.2%	Manufacture and marketing of metal roofing tiles and ceiling panels
* Nycon Manufacturing Sdn. Bhd.	Malaysia	26%	26%	Manufacture and marketing of rotomoulded bulk containers
* Tamco (Singapore) Pte. Ltd.	Singapore	26%	26%	Trading and contracting in electrical engineering products
* Tamco System (Malaysia) Sdn. Bhd. (formerly known as Tamco Electrical & Electronics (Malaysia) Sdn. Bhd.)	Malaysia	26%	26%	Trading and contracting in electrical engineering products
* Tamco System (Singapore) Pte. Ltd. (formerly known as Tamco Electrical & Electronics (Singapore) Pte. Ltd.)	Singapore	26%	26%	Trading and contracting in electrical engineering products
* Tamco System (Hong Kong) Limited (formerly known as Tamco Electrical & Electronics (Hong Kong) Limited)	Hong Kong	26%	26%	Trading and contracting in electrical engineering products
* Tamco (Malaysia) Sdn. Berhad	Malaysia	26%	26%	Dormant
* Tamco Industries Sdn. Berhad	Malaysia	26%	26%	Dormant
* TEE Power & Engineering Sdn. Bhd.	Malaysia	26%	26%	Dormant
* PT Indomalay Ekatana Roofing Industries	Indonesia	12.7%	12.7%	Manufacture and marketing of metal roofing tiles
* Universal Motor Kontrol Pty. Limited	Australia	26%	26%	Design and manufacture of electrical motor control centres
* Kontrol Sales Pty. Limited	Australia	26%	26%	Investment holding
* PT Kontrol Ragam Indonesia	Indonesia	20.8%	20.8%	Design and manufacture of electrical motor control centres
* Universal Motor Kontrol Hong Kong Limited	Hong Kong	26%	26%	Sales of electrical motor control centres and other related equipment
* Tamco Shanghai Switchgear Company Limited	China	26%	26%	Manufacture and marketing of switchgear and related products

47. SUBSIDIARY AND ASSOCIATED COMPANIES (continued)

Company	Country of incorporation	Effective equity interest		Principal activities
		2003	2002	
* Tamco Electrical Industries Australia Pty. Limited	Australia	26%	—	Dormant
* Tamco Gulf Enterprises Sdn. Berhad	Malaysia	26%	26%	Dormant
* Tamco Static Systems (Far East) Limited	Hong Kong	26%	26%	Dormant
Subsidiary companies of MSTi Corporation Sdn. Bhd.				
* I-Enterprise Online.Com Sdn. Bhd.	Malaysia	25.6%	25.6%	Provision of IT services
* HSO Business Systems Sdn. Bhd.	Malaysia	25.1%	25.1%	Trading of computer hardware and software and the rendering of IT related consulting services
* HSO Business Solutions Sdn. Bhd.	Malaysia	25.1%	25.1%	Dormant
* Not audited by BDO Binder or member firms of BDO International. ° In the process of deregistration/members' voluntary liquidation. > Wound up during the current financial year.				

Details of associated companies are as follows:-

Company	Country of incorporation	Effective equity interest		Principal activities
		2003	2002	
Direct:-				
* Fernz Timber Protection (M) Sdn. Bhd.	Malaysia	49%	49%	Trading in timber wood preservative and other chemical products
* E-Cop.Net Surveillance Sdn. Bhd.	Malaysia	27.3%	27.3%	Providing network services in electronic and Internet security protection
* iSpring Capital Sdn. Bhd.	Malaysia	42%	40%	Providing and sourcing private equity finance and providing related consultancy services, business acceleration and other value added facilities and services to technology ventures
* Vision IP Services Sdn. Bhd.	Malaysia	33.3%	33.3%	Providing call centre services

47. SUBSIDIARY AND ASSOCIATED COMPANIES (continued)

Company	Country of incorporation	Effective equity interest 2003	Effective equity interest 2002	Principal activities
Indirect:-				
Ancom Kimia Sdn. Bhd.	Malaysia	30%	30%	Distributor of petrochemicals and industrial chemicals
* Transmare - Chemie (Singapore) Pte. Ltd.	Singapore	20%	20%	Distributor of printing ink solvent and industrial chemicals
* Transmare - Chemie Handelsgesellschaft mbH	Germany	20%	20%	Distributor of printing ink solvent and industrial chemicals
+ Ancom Philippines Inc.	Philippines	39.6%	39.6%	Dormant. Holder of licenses for certain agricultural chemical products
* Hikmat Ikhlas Sdn. Bhd.	Malaysia	12.8%	12.8%	Trading and contracting in electrical engineering products
* Suistulin Sdn. Bhd.	Malaysia	7.8%	7.8%	Trading and marketing in switchgear and related products
* Tamco Chongqing Switchgear Company Limited	China	9.8%	9.8%	Manufacturing and sale of switchgear and related products
* DBS China Limited	Hong Kong	—	10.9%	Trading in chemical products
* Not audited by BDO Binder or member firms of BDO International.				
+ Audited by member firms of BDO International.				

48. COMPARATIVE FIGURES

The following comparative figures have been restated to reflect the change in accounting policy in complying with MASB 19 "Events After the Balance Sheet Date" as explained in Note 33:-

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Statement of changes in equity				
Retained profits:-				
Balance as at 31 May 2002/2001	34,495,579	45,634,088	4,062,757	485,601
Effect of change in accounting policy	3,389,362	3,423,663	3,389,362	3,423,663
Restated balance as at 31 May 2002/2001	37,884,941	49,057,751	7,452,119	3,909,264
Balance sheets				
Proposed dividend:-				
Balance as at 31 May 2003/2002	—	3,389,362	—	3,389,362
Effect of change in accounting policy	—	(3,389,362)	—	(3,389,362)
Restated balance as at 31 May 2003/2002	—	—	—	—

49. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 25 September 2003.

Share Buy Back

There were no share buy back during the financial year.

Options, Warrants Or Convertible Securities

During the financial year, a total of 990,000 options were granted under Ancom Berhad ESOS to eligible employees of the Group at an exercise price of RM1.00 per ordinary share.

Other than the above, the Company did not issue any options, warrants or convertible securities.

Utilisation Of Proceeds

The Company did not raise proceeds from any corporate exercise during the financial year.

American Depositary Receipt (ADR) Or Global Depositary Receipt (GDR) Programme

During the financial year, the Company did not sponsor any ADR or GDR programme.

Sanction And/Or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant authorities during the financial year.

Non-Audit Fee

A total of RM RM172,503 was paid to the external auditors of the Company in the financial year for non-audit assignments.

Variation In Results

There were no variances between the results for the financial year ended 31 May 2003 and the unaudited results previously announced. The Company did not announce any profit estimates, forecasts and projections for the financial year.

Profit Guarantee

The Company did not give any profit guarantee in respect of the financial year ended 31 May 2003.

Material Contracts Involving Directors'/Major Shareholders' Interests

- (1) Conditional sale and purchase agreement with Nylex, a 51.94%-owned subsidiary of Rhodemark Development Sdn Bhd, which in turn is a 50.1%-owned subsidiary of the Company, for the proposed disposal by the Company of its entire equity interest in four wholly-owned subsidiaries, namely, Perusahaan Kimia Gemilang Sdn Bhd, Fermpro Sdn Bhd, Kumpulan Kesuma Sdn Bhd and Wedon Sdn Bhd for a total sale consideration of RM64,427,000 to be satisfied by the issuance of 128,854,000 new ordinary shares of RM0.50 each in Nylex at par. Via a supplemental agreement signed between Nylex and the Company, the number of new ordinary shares to be issued by Nylex was changed to 64,427,000 ordinary shares of RM1.00 each.

The late YABM Raja Tun Mohar bin Raja Badiozaman, Tan Sri Dato' Dr Lin See Yan, Dato' Ahmad Johari bin Tun Abdul Razak, Dato' Siew Ka Wei, Dato' Siew Nim Chee, Dato' Mohd Ismail bin Che Rus and Chieng Ing Huong are deemed interested in the above proposed transaction.

Material Contracts Involving Directors'/Major Shareholders' Interests (continued)

- (2) Ancom Crop Care Sdn Bhd ("ACC"), a wholly-owned subsidiary, subscribed for 1,465,000 new ordinary shares of RM1.00 each in OrganiGro Sdn Bhd ("OrganiGro") at par for cash.

The late YABM Raja Tun Mohar bin Raja Badiozaman is deemed interested in the transaction, as he is the father of a director /indirect substantial shareholder of OrganiGro.

Revaluation Policy

The Company does not have a revaluation policy on landed properties for the financial year ended 31 May 2003.

Recurrent Related Party Transactions ("RRPT")

During the financial year, details of the RRPT pursuant to the shareholders' mandate obtained in the last annual general meeting of the Company are as follows:

Related party	Nature of transaction	Interested directors, major shareholders and connected persons	Value of RRPT RM'000
Pacific & Orient Insurance Co. Berhad	Purchase of general insurance	Pacific & Orient Berhad Chan Thye Seng	1,218
MSTi and its subsidiaries namely :	Receiving of IT related consultancy services	Y Bhg Dato' Siew Nim Chee Y Bhg Dato' Siew Ka Wei Siew Ka Kheong	845
– i-Enterprise Online.com Sdn Bhd – HSO Business Systems Sdn Bhd	Provision of management services by holding company	Y Bhg Datin Young Ka Mun Quek Lay Kheng Silver Dollars Sdn Bhd Siew Nim Chee & Sons Sdn Bhd	43
OrganiGro	Provision of management services by holding company	Allayarham YABM Raja Tun Mohar bin Raja Badiozaman	NIL
	Rental of shelter (compost) from Fermpro Sdn Bhd, wholly-owned subsidiary of Ancom	YM Raja Nor Mazli binti Raja Mohar Toh Puan Norella binti Talib	Not Significant
	Purchase of organic fertilizer for re-sale by ACC, wholly-owned subsidiary of Ancom		6
Kamunting Corporation Berhad and its subsidiaries, inter-alia, :	Selling of sealants by Kumpulan Kesuma Sdn Bhd and Wedon Sdn Bhd, wholly-owned subsidiaries of Ancom	Y Bhg Datuk Hj Mohamed Al Amin bin Hj Abdul Majid Y Bhg Dato' Siew Ka Wei	NIL
– KCB Trading Sdn Bhd			
– Putra Perdana Construction Sdn Bhd	Selling of computer hardware and software by MSTi group		NIL
– Putra Perdana Development Sdn Bhd	Provision of IT related consultancy service by MSTi group		NIL

LIST OF PROPERTIES

AS AT 31 MAY 2003

ANCOM BERHAD (8440-M)

Location	Tenure	Land area	Descriptions	Net book value as at 31 May 2003	Date of acquisition/ Last valuation date
Ancom Berhad					
1. Q.T. (R) 4353 Mukim of Damansara Daerah Klang Selangor Darul Ehsan	Unexpired leasehold interest of 65 years (Expiring on 10.4.2068)	2.22 hectares	Office and factory buildings Age of buildings:- approximately 33 years	RM 12,160,074	24 May 1999
2. P.T. 4227 and P.T. 4228 Mukim of Kapar Daerah Klang Selangor Darul Ehsan	Unexpired leasehold interest of 83 years (Expiring on 9.6.2086)	5.37 hectares	Office and factory buildings Age of buildings:- approximately 12 years	RM 13,438,077	24 May 1999
Fermpro Sdn Bhd					
1. H.S. (M) 748 Lot 1113 Mukim of Chuping Perlis	Unexpired leasehold interest of 43 years (Expiring on 22.11.2046)	1.62 hectares	Office and factory buildings Age of buildings:- approximately 15 years	RM 1,944,600	21 March 2000
2. H.S. (M) 1804 Plot 3 & 4 P.T. 924A Mukim of Chuping Perlis	Unexpired leasehold interest of 56 years (Expiring on 7.2.2059)	2.43 hectares	Spent molasses treatment pond	RM 965,175	21 March 2000
3. H.S. (M) 1803 P.T. 2978 Mukim of Chuping Perlis	Unexpired leasehold interest of 56 years (Expiring on 7.2.2059)	0.81 hectare	Office and factory buildings Age of buildings:- approximately 10 months (Land office is in the process of issuing land title deed)	RM 325,339	1 May 2000
Perusahaan Kimia Gemilang Sdn Bhd					
1. Lot 279, Sec. 63 Town of Kuala Lumpur	Freehold	0.26 hectare	Two storey bungalow Age of building:- approximately 41 years	RM 5,971,500	18 August 1999
2. Lot 1219 and 1220 Mukim 12 Seberang Perai Selatan Pulau Pinang	Freehold	0.12 hectare	1 1/2 storey semi-detached factory Age of building:- approximately 9 years	RM 544,667	21 March 2000

Location	Tenure	Land area	Descriptions	Net book value as at 31 May 2003	Date of acquisition/ Last valuation date
ChemResources China (Agencies) Limited					
1. Zhongshan, China	Unexpired leasehold interest of 6 years (Expiring on 7.10.2009)	0.05 hectare	Vacant land	RM 388,892 (HKD 798,218)	31 December 2001
OrganiGro Sdn Bhd					
1. H.S. (M) 748 P.T. 1113 (Lot 2) & Sebhg H. S. (M) 1803 P.T. 2978 (Lot 4) Mukim of Chuping Perlis	N/A	N/A	Office and factory buildings Age of buildings:- approximately 10 months	RM 2,925,422	31 December 2001
Ancom Energy & Services Sdn Bhd					
1. Lot 153, Section 5, Phase 2B Jalan 4/8 Pulau Indah Industrial Park West Port Selangor Darul Ehsan	Unexpired leasehold interest of 96 years (Expiring in 5.3.2099)	0.22 hectare	Office and factory buildings Age of buildings:- approximately 1.5 years	RM 1,559,293	6 March 2000
2. Lot 140, Section 5, Phase 2B Jalan 4/8 Pulau Indah Industrial Park West Port Selangor Darul Ehsan	Unexpired leasehold interest of 98 years (Expiring in 25.7.2101)	0.22 hectare	Vacant land	RM 447,740	29 August 2002
Tubex Sdn Bhd					
1. Kawasan Perindustrian Baru KSB, Phase 2 Kemaman Supply Base Kemaman Terengganu	N/A	N/A	Office and covered workshop Age of building:- approximately 7 years	RM 696,585	N/A
Akra Engineering Sdn Bhd					
1. Lot 118 Senawang Industrial Estate, Seremban Negeri Sembilan Darul Khusus	Unexpired leasehold interest of 70 years (Expiring on 22.3.2073)	0.81 hectare	Building with covered workshop Age of building:- approximately 28 years	RM 3,145,313	1 April 2000

LIST OF PROPERTIES continued

AS AT 31 MAY 2003

ANCOM BERHAD (8440-M)

Location	Tenure	Land area	Descriptions	Net book value as at 31 May 2003	Date of acquisition/ Last valuation date
Material Performance Engineering Sdn Bhd					
1. Lot 1908 Daerah Klang Selangor Darul Ehsan	Freehold	0.38 hectare	Office and factory buildings Age of buildings:- approximately 8 years	RM 2,435,250	13 March 2000
Ancom-ChemQuest Terminals Sdn Bhd					
1. Jeti Petrokimia Pelabuhan Darat Pelabuhan Klang Selangor Darul Eshan	N/A	N/A	Office and warehouse Age of building:- approximately 6 years	RM 577,524	N/A
SM Integrated Transware Pte Ltd					
1. 32 Tanjong Penjur Singapore 609028	N/A	N/A	Office and warehouse Age of building:- approximately 16 years))))))	N/A
2. 52 Tanjong Penjur Singapore 609034	N/A	N/A	Warehouse and yard Age of building:- approximately 24 years)) RM28,150,882) (\$12,889,206))))	N/A
3. 7 Kwong Min Road Singapore 628710	N/A	N/A	Office and warehouse Age of building:- approximately 2 years)))))	N/A
Bullion Mining and Developments Sendirian Berhad					
1. Apartment 8E Kayangan Apartments Genting Highlands Pahang	Freehold	2,806 sq. ft	Apartment Age of building:- approximately 24 years	RM 327,250	14 March 2000
2. Shoplot No. 1.30 First Floor Wisma Cosway Kuala Lumpur	Freehold	428 sq. ft	Shoplot Age of building:- approximately 27 years	RM 243,100	14 March 2000

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LIST OF PROPERTIES continued
AS AT 31 MAY 2003

ANCOM BERHAD (8440-M)

Location	Tenure	Land area	Descriptions	Net book value as at 31 May 2003	Date of acquisition/ Last valuation date
Universal Motor Kontrol Pty Limited					
1. V 9922 /510 31, Kitchen Road Dandenong Australia	Freehold	0.04 hectare	Factory Age of building:- approximately 18 years)))))	30 June 1995
2. V 9922 /509 Lot 29, Kitchen Road Dandenong Australia	Freehold	0.04 hectare	Factory Age of building:- approximately 9 years)) RM 4,925,465) (A\$ 1,996,291))	30 June 1995
3. V 10363 /524 Lot 11, Nissan Drive Dandenong Australia	Freehold	0.61 hectare	Vacant land)))))	30 June 1995
Malaysian Roofing Industries Sdn Bhd					
1. H.S. (D) 33792 Lot 12 Nilai Industrial Estate Nilai Negeri Sembilan Darul Khusus	Unexpired leasehold interest of 41 years (Expiring on 18.6.2044)	2.17 hectares	Office and factory buildings Age of buildings:- approximately 19 years	RM 2,413,121	31 December 1985
Zonson Sports (Malaysia) Sdn Bhd					
1. H. S. (D) 27690 Lot 13260 Jalan Hj. Abd. Manan Mukim of Kapar Daerah Klang Selangor Darul Ehsan	Freehold	1.20 hectares	Office and buildings Age of buildings:- approximately 14 years	RM 3,250,000	8 July 1992

No. Of Holders Of Each Class Of Equity Securities

Class of shares : Ordinary shares of RM1.00 each
 Total no. of shares issued : 132,332,195
 No. of holders : 9,382

Distribution Schedule

Holdings	No. of holders	Total Holdings	%
Less than 1,000	470	217,500	0.17
1,000 to 10,000	8,115	22,796,248	17.60
10,001 to 100,000	706	19,022,672	14.69
100,001 to less than 5% of issued shares	90	79,089,286	61.06
5% and above of issued shares	1	8,389,489	6.48
Treasury shares	9,382	129,515,195	100.00
	—	2,817,000	—
	9,382	132,332,195	100.00

Substantial Shareholders As Per The Register Of Substantial Shareholders

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Dato' Siew Ka Wei	3,864,000	2.98	8,097,419 (a)	6.25
Pacific & Orient Berhad	11,499,489	8.88	3,500,000 (b)	2.70
Chan Thye Seng	—	—	14,999,489 (c)	11.58
The Straits Trading Company Limited	—	—	6,525,000 (d)	5.04

Note :

- (a) Held through Silver Dollars Sdn Bhd, Siew Nim Chee & Sons Sdn Bhd, Siew Ka Kheong, Datin Young Ka Mun and Quek Lay Kheng.
 (b) Held through Pacific & Orient Insurance Co. Berhad, a wholly-owned subsidiary of Pacific & Orient Berhad.
 (c) Held through Pacific & Orient Berhad and Pacific & Orient Insurance Co. Berhad.
 (d) Held through Sword Investments Private Limited and Baxterley Holdings Pte. Ltd, wholly owned subsidiaries of The Straits Trading Company Limited.

Directors' Shareholdings As Per the Register of Directors' Shareholdings

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Dato' Ahmad Johari bin Tun Abdul Razak	499,126	0.39	—	—
Dato' Siew Ka Wei	3,864,000	2.98	8,097,419 (a)	6.25
Tan Sri Dato' Dr Lin See Yan	100,000	0.08	—	—
Chan Thye Seng	—	—	14,999,489 (b)	11.58

Note :

- (a) Held through Silver Dollars Sdn Bhd, Siew Nim Chee & Sons Sdn Bhd, Siew Ka Kheong, Datin Young Ka Mun and Quek Lay Kheng.
 (b) Held through Pacific & Orient Berhad and Pacific & Orient Insurance Co. Berhad.

Thirty Largest Shareholders As Per Record of Depositors

Name	No. of shares	%
1. Pacific & Orient Berhad	8,389,489	6.48
2. Lembaga Tabung Haji	6,423,893	4.96
3. Mayban Nominees (Asing) Sdn Bhd – <i>Sword Investments Private Limited</i>	5,965,500	4.61
4. Tee Kim Chan	3,500,000	2.70
5. Malaysia Nominees (Tempatan) Sendirian Berhad – <i>Silver Dollars Sdn Bhd</i>	3,347,655	2.58
6. Malaysia Nominees (Tempatan) Sendirian Berhad – <i>Great Eastern Life Assurance (Malaysia) Berhad</i>	3,316,000	2.56
7. UMB Nominees (Tempatan) Sdn Bhd – <i>Eastern & Oriental Berhad</i>	3,305,000	2.55
8. Pacific & Orient Berhad	3,110,000	2.40
9. DB (Malaysia) Nominee (Asing) Sdn Bhd – <i>BNP Paribas Nominees Singapore Pte Ltd for ESEE Ltd</i>	3,010,000	2.32
10. Libra Capital Markets Sendirian Berhad – <i>Libra Asia Securities Limited for Ruslan bin Ali Omar</i>	2,340,000	1.81
11. Libra Capital Markets Sendirian Berhad – <i>Libra Asia Securities Limited for Hamid bin Mohd Sidek</i>	2,340,000	1.81
12. Pacific & Orient Insurance Co. Berhad	2,302,000	1.78
13. Malaysia Nominees (Tempatan) Sendirian Berhad – <i>Siew Nim Chee & Sons Sdn Bhd</i>	2,297,698	1.77
14. Southern Nominees (Tempatan) Sdn Bhd – <i>Domestic Star Sdn Bhd</i>	2,200,000	1.70
15. UOBM Nominees (Tempatan) Sdn Bhd – <i>Siew Ka Wei</i>	2,189,000	1.69
16. Libra Capital Markets Sendirian Berhad – <i>Libra Asia Securities Limited for ECM Libra Investment Bank Limited</i>	2,070,900	1.60
17. Libra Capital Markets Sendirian Berhad – <i>Libra Asia Securities Limited for Siew Nim Chee & Sons Sendirian Berhad</i>	2,000,000	1.54
18. Leong Chong Shoo @ Leong Chan Chiew	2,000,000	1.54
19. Libra Capital Markets Sendirian Berhad – <i>Libra Asia Securities Limited for Mustaza bin Salim</i>	1,920,000	1.48
20. Malaysia Nominees (Tempatan) Sendirian Berhad – <i>Tan Sri Dato' Thong Yaw Hong</i>	1,500,000	1.16
21. Universal Trustee (Malaysia) Berhad – <i>SBB Emerging Companies Growth Fund</i>	1,150,000	0.89
22. Khamis bin Awal	1,100,728	0.85
23. HDM Nominees (Tempatan) Sdn Bhd – <i>HDM Venture Capital Sdn Bhd for Khamis bin Awal</i>	1,000,000	0.77
24. Pacific & Orient Insurance Co Berhad	959,000	0.74
25. Malaysia Nominees (Tempatan) Sendirian Berhad – <i>Siew Ka Wei</i>	919,000	0.71
26. Howe Yoon Chong	850,130	0.66
27. Lim Chui Kui @ Lim Chooi Kui	821,236	0.63
28. Southern Investment Bank Berhad – <i>Employee's Provident Fund</i>	756,000	0.58
29. TA Nominees (Tempatan) Sdn Bhd – <i>Zulfadzli bin Mohd Yusoff</i>	658,000	0.51
30. Malaysia Nominees (Tempatan) Sendirian Berhad – <i>Astro (M) Sdn Bhd</i>	575,650	0.44
Total	72,316,879	55.82

NOTICE IS HEREBY GIVEN that the 34th Annual General Meeting of the Company will be held at 10.00 am on Friday, 21 November 2003 at Junior Ballroom 1, level 2, Hotel Nikko Kuala Lumpur, 165 Jalan Ampang, 50450 Kuala Lumpur, Malaysia for the following purposes:

AGENDA

1. To receive and adopt the audited accounts, reports of the Directors and the Auditors thereon for the financial year ended 31 May 2003; **[Resolution 1]**
2. To approve a final dividend of 4 % less 28% income tax in respect of the financial year ended 31 May 2003; **[Resolution 2]**
3. To approve Directors' fees for the financial year ended 31 May 2003; **[Resolution 3]**
4. To re-elect the following Directors who retire pursuant to Article 81 of the Company's Articles of Association:
 - 4.1 Y. Bhg. Dato' Ahmad Johari bin Tun Abdul Razak **[Resolution 4]**
 - 4.2 Y. Bhg. Dato' Siew Ka Wei **[Resolution 5]**
5. To re-elect Y. Bhg. Dato' Siew Nim Chee, a Director who retires pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the next annual general meeting of the Company; **[Resolution 6]**
6. To re-appoint BDO Binder as Auditors of the Company and to authorise the Board of Directors to fix their remuneration; **[Resolution 7]**
7. As special business, to consider and if thought fit, to pass the following Ordinary Resolution:

"THAT pursuant to Section 132D of the Companies Act, 1965 and the Articles of Association of the Company, approval be and is hereby given to the Directors to offer and grant options to eligible employees and executive directors of the Company and its subsidiaries companies ("the Group") pursuant to Ancom Berhad Employees' Share Option Scheme ("ESOS") and to allot and issue such new ordinary shares of RM1 each in the Company from time to time during the existence of the ESOS to the eligible employees and executive directors of the Group pursuant to their exercise of the options under the ESOS." **[Resolution 8]**
8. As special business, to consider and if thought fit, to pass the following Ordinary Resolution:

"THAT subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to issue new ordinary shares of RM1 each in the Company from time to time and upon such terms and conditions to such persons and for such purposes as the Directors may deem fit provided that the aggregate number of new ordinary shares to be issued pursuant to this resolution does not exceed ten (10) per centum of the total issued share capital of the Company and that such authority shall commence upon the passing of this resolution until the conclusion of the next annual general meeting of the Company AND THAT the Directors are further authorised to make such applications to the Kuala Lumpur Stock Exchange and to do all such things and upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company for the listing of and quotation for the new ordinary shares to be issued pursuant to this resolution." **[Resolution 9]**
9. Other Ordinary Business

To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By order of the Board,

NANDITA K.K. CHOUDHURY
CHOO SE ENG

Secretaries

Kuala Lumpur
30 October 2003

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote for him. A proxy may but need not be a member of the Company.
2. In the case of a corporate shareholder, the instrument appointing a proxy shall be under its Common Seal or its attorney.
3. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Suite 1005, 10th Floor, Wisma Hamzah-Kwong Hing, No. 1, Leboh Ampang, 50100 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting.

EXPLANATORY NOTES

1. Item 7 of the Agenda

Resolution 8 proposed under item 7 of the Agenda, if passed, will empower the Directors to offer and grant options and issue new ordinary shares in the Company pursuant to the ESOS, which was approved at the Extraordinary General Meeting of the Company held on 24 February 1999.

2. Item 8 of the Agenda

Resolution 9 proposed under item 8 of the Agenda, if passed, will give the Directors authority to issue and allot new ordinary shares up to an amount not exceeding 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the best interest of the Company. This authority will commence from the date of this Annual General Meeting and, unless revoked or varied by the Company at a general meeting, expire at the next annual general meeting.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. The venue, date and time of the Company's 34th Annual General Meeting are as follows:

Venue	Junior Ballroom 1, Level 2, Hotel Nikko Kuala Lumpur 165, Jalan Ampang, 50450 Kuala Lumpur, Malaysia
Date	Friday, 21 November 2003
Time	10.00 am

2. The name of Directors who are standing for re-election at this Annual General Meeting:

- (i) Under Article 81 of the Company's Articles of Association:

- Y. Bhg. Dato' Ahmad Johari Bin Tun Abdul Razak
- Y. Bhg. Dato Siew Ka Wei

- (ii) Under Section 129(6) of the Companies Act, 1965:

- Y. Bhg. Dato' Siew Nim Chee

3. The attendance record at Board Meetings and other details required under Appendix 8A of the Kuala Lumpur Stock Exchange Listing Requirements of the above named Directors can be found in pages 3 to 6 – Profile of Board of Directors – in the Company's Annual Report 2003.

I/We, _____ of _____
(Name in capital letters) (Address)

_____ being a member of the Company, hereby

appoint Mr./Ms./Mrs./Madam _____
(Name in capital letters)

of _____
(Address)

or failing whom the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the 34th Annual General Meeting of the Company to be held at 10.00 am on Friday, 21 November 2003 at Junior Ballroom 1, Level 2, Hotel Nikko Kuala Lumpur, No. 165 Jalan Ampang, 50450 Kuala Lumpur, Malaysia or at any adjournment thereof and to vote as indicated below:

Item	Description of Resolutions	Resolution No.	For	Against
1.	To adopt Audited Accounts and Reports	1		
2.	To approve a final dividend of 4% less 28% income tax	2		
3.	To approve Directors' fees	3		
4.	To re-elect the following Directors who retire pursuant to Article 81 of the Company's Article of Association:			
	Y. Bhg. Dato Ahmad Johari Bin Tun Abdul Razak	4		
	Y. Bhg. Dato' Siew Ka Wei	5		
5.	To re-elect Y. Bhg. Dato' Siew Nim Chee, a Director who retires pursuant to Section 129(6) of the Companies Act, 1965	6		
6.	To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration	7		
7.	To approve the issue of new ordinary shares pursuant to the Company's ESOS	8		
8.	To approve the issue of new ordinary shares under Section 132 D of the Companies Act, 1965	9		

(Please indicate with an "x" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.)

Dated this _____ day of _____ 2003

No. of shares Held	
--------------------	--

[Signature / Common Seal of shareholder(s)]
[*Delete if not applicable]

Telephone Number (During office hours)

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote for him. A proxy may but need not be a member of the Company.
2. In the case of a corporate shareholder, the instrument appointing a proxy shall be under its Common Seal or its attorney.
3. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Wisma Hamzah-Kwong Hing, No.1, Leboh Ampang, 50100 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting.

Fold this flap for sealing

Then fold here

**Affix
Stamp**

Shearn Delamore & Co.

Suite 1005, 10th Floor
Wisma Hamzah-Kwong Hing
No.1 Leboh Ampang
50100 Kuala Lumpur
Malaysia



ANCOM BERHAD
[8440-M][Incorporated in Malaysia]

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ANCOM BERHAD GROUP OF COMPANIES
Principal Offices

Ancom Berhad – Corporate Office

102-1002, Blok A
Pusat Dagangan Phileo Damansara I
No 9, Jalan 16/11, Off Jalan Damansara
43650 Petaling Jaya, Selangor, Malaysia
Tel : 603 – 7660 0008
Fax : 603 – 7660 0010
Y Bhg Dato* Johari Razak
Executive Chairman
Y Bhg Dato* Siew Ka Wei
Group Managing Director

Perusahaan Kimia Gemilang Sdn Bhd

302, Blok A
Pusat Dagangan Phileo Damansara I
No 9, Jalan 16/11, Off Jalan Damansara
43650 Petaling Jaya Selangor, Malaysia
Tel : 603 – 7660 0033
Fax : 603 – 7660 0133
Mr. Kok Kim Loong
Director/General Manager

Ancom Ship Management Sdn Bhd

Jeti Petrokimia, West Port
42009 Pulau Indah, Port Klang
Selangor, Malaysia
Tel : 603 – 3101 1661
Fax : 603 – 3101 1461
Captain Chan Ying Wai
Director

OrganiGro Sdn Bhd

902, Blok A
Pusat Dagangan Phileo Damansara I
No 9, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya Selangor, Malaysia
Tel : 603 – 7957 8771
Fax : 603 – 7956 8780
YM Raja Nor Mazli Raja Mohar
Managing Director

Fermpro Sdn Bhd

Lot 2, Kawasan Perindustrian Chuping
02450 Chuping, Perlis, Malaysia
Tel : 604 – 938 2892
Fax : 604 – 938 2890
YM Raja Nor Mazli Raja Mohar
Director/General Manager

Nylex (Malaysia) Berhad

Persiaran Selangor, Shah Alam
Industrial Estate, 40200 Shah Alam
Selangor, Malaysia
Tel : 603 – 5519 1706
Fax : 603 – 5510 0008
Mr. Low Hong Keng
General Manager

Ancom-ChemQuest Terminals Sdn Bhd

Jeti Petrokimia, West Port
42009 Pulau Indah, Port Klang
Selangor, Malaysia
Tel : 603 – 3101 1372
Fax : 603 – 3101 1461
Mr. Larry Lim
Managing Director

Ancom Crop Care Sdn Bhd

Lot 5, Section 15, Persiaran Selangor
40000 Shah Alam, Selangor, Malaysia
Tel : 603 – 5519 4022
Fax : 603 – 5510 3888
En. Shamsudin Basri
Managing Director

Ancom Energy & Services Sdn Bhd

702, Blok A
Pusat Dagangan Phileo Damansara I
No 9, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya, Selangor, Malaysia
Tel : 603 – 7660 0055
Fax : 603 – 7660 0056
Y Bhg Datuk Hj Ismail bin Hj Hashim
Divisional Chief Executive Officer

MSTi Corporation Sdn Bhd

Unit 1003 & 1005, Blok A
Pusat Dagangan Phileo Damansara II
No 15 Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya, Selangor, Malaysia
Tel : 603 – 7665 1988
Fax : 603 – 7665 1638
Mr. Chandran Perumal
Managing Director

Akra Engineering Sdn Bhd

Lot 118, Senawang Industrial Estate
P. O. Box 368, 70740 Seremban
Negeri Sembilan, Malaysia
Tel : 606 – 677 2179
Fax : 606 – 677 3398
Tuan Haji Mohd Kamil Ismail
Chief Operating Officer

Malaysian Roofing Industries Sdn Bhd

Lot 12, Nilai Industrial Estate
71800 Nilai, Negeri Sembilan, Malaysia
Tel : 606 – 799 1877
Fax : 606 – 799 1827
Mr. Guoh Siang Lim
General Manager

Kumpulan Kesuma Sdn Bhd /Wedon Sdn Bhd

No 6, Lorong SS13/6A, Subang Jaya
Industrial Estate, 47500 Petaling Jaya
Selangor, Malaysia
Tel : 603 – 5633 6229
Fax : 603 – 5634 9915
Mr. Lim Liang Tan
Managing Director

Tamco Corporate Holdings Berhad

Lot 2A, Jalan 13/2, 46200 Petaling Jaya
Selangor, Malaysia
Tel : 603 – 7956 2799
Fax : 603 – 7955 6009
Mr. Chua Ah Lak
Managing Director

Tamco System (Malaysia) Sdn Bhd

No. 35, Persiaran Industri
Bandar Sri Damansara
52200 Kuala Lumpur, Malaysia
Tel : 603 – 6276 8732
Fax : 603 – 6272 1137
Mr. Chong Yen Hong
General Manager

Tamco System (Singapore) Pte Ltd

77 Tech Park Crescent
Tuas Tech Park
Singapore 638069
Tel : 02 – 6862 3777
Fax : 02 – 6862 8628
Mr. Ng Kok Meng
Chief Executive Officer

Tamco Shanghai Switchgear Company Ltd

379, Jianchuan Road
Tangwan Town, Minhang District
Shanghai China 201109
Tel : 8621 – 64500 568
Fax : 8621 – 64500 968
Mr. Kane Zhu
General Manager

ChemResources China (Agencies) Limited

Room 1503-4, 15/F Cigna Tower
482 Jaffe Road, Causeway Bay
Hong Kong
Tel : 852 – 2736 – 7868
Fax : 852 – 2736 – 3056
Mr. David Lai
Director

SM Integrated Transware Pte Ltd

32, Tanjung Penjuru
Jurong Town
Singapore 609028
Tel : 02 – 6264 8488
Fax : 02 – 6898 1588
Mr. Larry Lim
Managing Director

Tubex Sdn Bhd

Kawasan Perindustrian Baru KSB
Phase 2, Kemaman Supply Base
24007 Kemaman, Terengganu, Malaysia
Tel : 609 – 863 1640
Fax : 609 – 863 1798
Tuan Haji Suhaimi Mukhtar
Chief Operating Officer

