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NOTICE OF ANNUAL GENERAL MEETING

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NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting of the Company will be held at Straits 3, Level 7, The Golden Legacy Hotel Melaka, Jalan Hang Tuah, 75300 Melaka on Friday, 16 May 2003 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS:

1. To receive and adopt the audited financial statements for the year ended 31 December 2002 and the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To declare a first and final tax exempt dividend of 4 sen per share for the year ended 31 December 2002. (Resolution 2)
3. To approve Directors' fees for the year ended 31 December 2002 amounting to RM80,000 (2001: RM 45,000). (Resolution 3)
4. To re-elect P. James Edwin A/L Louis Pushparatnam who is retiring under Article 94 of the Company's Articles of Association. (Resolution 4)
5. To re-elect Y. Bhg. Tan Sri Dato' Dr. Abdul Khalid Bin Sahan who is retiring under Article 103 of the Company's Articles of Association. (Resolution 5)
6. To re-elect Y. Bhg. Datuk Wong Soon Lim who is retiring under Article 103 of the Company's Articles of Association. (Resolution 6)
7. To approve a resolution pursuant to Section 129 (6) of the Companies Act, 1965 to re-appoint Y. Bhg. Datuk Haji Tamby Chik Bin Haji Hassan as a Director of the Company to hold office until the next Annual General Meeting. (Resolution 7)
8. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 8)

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following Ordinary Resolution:

9. "That subject to the provisions of Section 132D of the Companies Act, 1965, and the approval of the relevant authorities, the Directors be and they are hereby authorised from time to time to issue and allot ordinary shares in the Company upon such terms and conditions and at such times as may be determined by the Directors to be in the interest of the Company provided always that the aggregate number of shares to be issued pursuant to this resolution shall not exceed 10% of the issued share capital for the time being of the Company." (Resolution 9)
10. To transact any other business for which due notice shall have been given.

NOTICE OF BOOK CLOSURE

NOTICE IS ALSO HEREBY GIVEN that the Register of Members will be closed from 23 May 2003 to 24 May 2003, both dates inclusive, to determine shareholders' entitlement to the dividend payment. The dividend, if approved, will be paid on 12 June 2003 to shareholders whose names appear in the Register of Members and Record of Depositors on 22 May 2003.

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

- (a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 22 May 2003 in respect of ordinary transfers; and
- (b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By order of the Board

Ms. Tan Gaik Hong, MIA 4621

Secretary

Melaka

Dated: 24 April 2003

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. If the appointer is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its officer or attorney duly authorised.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company, Kompleks Daibochi Plastic, Lot 3 & 7 Air Keroh Industrial Estate, Phase IV, 75450 Melaka not less than forty-eight (48) hours before the time appointed for holding the meeting.

EXPLANATORY NOTE ON SPECIAL BUSINESS

Authority pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution proposed under item 9 above, if passed, will give powers to the Directors to issue up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in a General Meeting, expire at the conclusion of the next Annual General Meeting.



1. Directors who are standing for re-election/re-appointment at the Thirtieth Annual General Meeting are:
 - (a) P. James Edwin A/L Louis Pushparatnam (Resolution 4)
 - (b) Y. Bhg. Tan Sri Dato' Dr. Abdul Khalid Bin Sahan (Resolution 5)
 - (c) Y. Bhg. Datuk Wong Soon Lim (Resolution 6)
 - (d) Y. Bhg. Datuk Haji Tamby Chik Bin Haji Hassan (Resolution 7)

The profiles of the above Directors are set out in the section entitled "Directors' Profiles" on pages 5 and 6. Their securities holdings information are set out in the section entitled "Directors' Shareholdings" and "Directors' Warrant Holdings" on pages 51 and 52 respectively.

2. Details of attendance of Directors at Board Meetings

The attendance for the Directors are disclosed in their respective profiles in the section entitled "Directors' Profiles" on pages 5 and 6.

3. Place, date and time of the Annual General Meeting

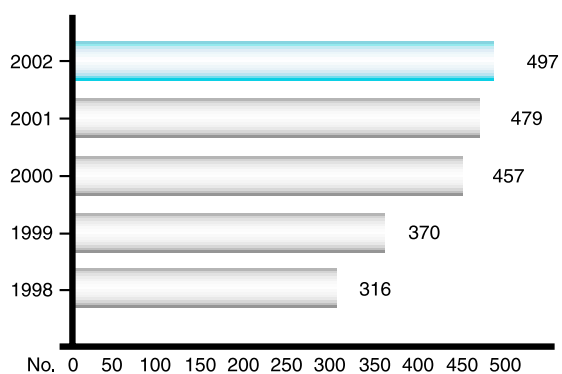
Place	Straits 3, Level 7, The Golden Legacy Hotel Melaka, Jalan Hang Tuah, 75300 Melaka
Date and time	Friday, 16 May 2003 at 10.00 a.m.

Company's Performance Charts

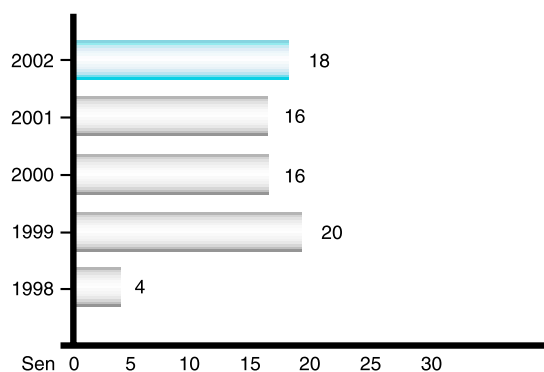
Annual Report 2002

30th
Anniversary
Daibochi

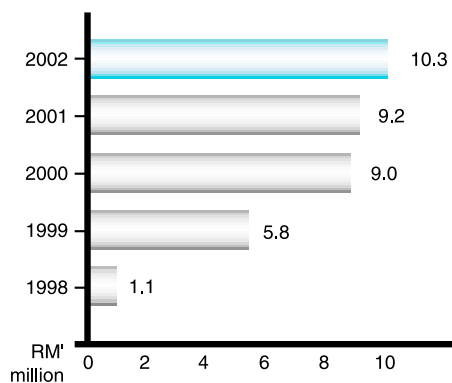
Employees



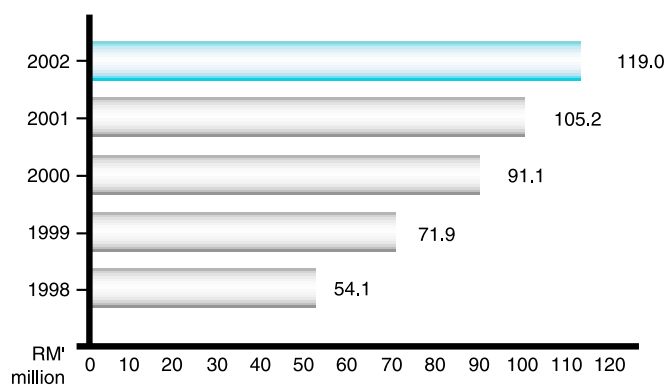
Gross earnings per share



Profit before taxation



Turnover



BOARD OF DIRECTORS

Y. Bhg. Tan Sri Dato' Dr. Abdul
Khalid Bin Sahan
Chairman and Independent Non-Executive Director

Y. Bhg. Datuk Haji Tamby Chik
Bin Haji Hassan
Deputy Chairman and Independent Non-Executive Director

Yong Jaw Teck
Managing Director

Y. Bhg. Datuk Wong Soon Lim
Executive Director

Low Chan Tian
Executive Director

Low Chan Koon
Executive Director

Y. Bhg. Maj. Gen. (Rtd) Dato' Haji
Johan Hew Bin Abdullah
Independent Non-Executive Director

Ms. Tan Gaik Hong (resigned 17.01.2003)
Executive Director

P. James Edwin A/L Louis Pushparatnam
(appointed 20.02.2003)
Independent Non-Executive Director

COMPANY SECRETARY

Ms. Tan Gaik Hong, MIA 4621

WEBSITE

www.daibochiplastic.com

CERTIFICATES

ISO 9002:1994
EN ISO 9002:1994
BS EN ISO 9002:1994

REGISTERED OFFICE

Kompleks Daibochi Plastic
Lot 3 & 7 Air Keroh
Industrial Estate, Phase IV
75450 Melaka
Tel No: 06-2312746
Fax No: 06-2328988

REGISTRARS

Tenaga Koperat Sdn Bhd
20th Floor Plaza Permata
Jalan Kampar
Off Jalan Tun Razak
50400 Kuala Lumpur
Tel No: 03-40416522
Fax No: 03-40426352

AUDITORS

PricewaterhouseCoopers
Chartered Accountants
12th Floor Bangunan Yayasan Melaka
Jalan Hang Tuah
75300 Melaka

PRINCIPAL BANKERS

Bumiputra Commerce (M) Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad
OCBC Bank (Malaysia) Berhad
United Overseas Bank (Malaysia) Bhd

STOCK EXCHANGE LISTING

Kuala Lumpur Stock Exchange
Main Board

PROFILES OF DIRECTORS

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Y. Bhg. Tan Sri Dato' Dr. Abdul Khalid Bin Sahan, Malaysian, aged 69 was appointed to the Board of Daibochi Plastic and Packaging Industry Bhd ("Daibochi") on 30 July 1990. He is an Independent Non-Executive Director and Chairman of the Board. He is also the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee.

He holds a MBBS (Malaya), DPH (London) and DIH (England). He has served in various positions in the Ministry of Health, Malaysia until his retirement in 1989 as Director General of Health, Ministry of Health, Malaysia.

He is currently the Chairman of Tronoh Mines Malaysia Berhad, Kejora Harta Berhad and also the Chairman of Rating Agency Malaysia Berhad. He is also a Director of Malaysia Mining Corporation Berhad.

Tan Sri Khalid has no family relationship with any Directors/substantial shareholders of Daibochi and has no conflict of interest with the Company. In the past ten (10) years, he has not been convicted of any offences.

He attended four (4) out of the five (5) Board of Directors' meetings held during the financial year ended 31 December 2002.

Y. Bhg. Datuk Haji Tamby Chik Bin Haji Hassan, Malaysian, aged 82 was one of the first Directors of Daibochi when he was appointed on 2 October 1972. He is an Independent Non-Executive Director. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee.

He was one of the founder members and the former Chairman of Daibochi. He has accumulated vast and extensive business experience in the food manufacturing and property development industry.

Datuk Tamby Chik has no family relationship with any Directors/substantial shareholders of Daibochi and has no conflict of interest with the Company. In the past ten (10) years, he has not been convicted of any offences.

He attended four (4) out of the five (5) Board of Directors' meetings held during the financial year ended 31 December 2002.

Yong Jaw Teck, Australian, aged 55 was appointed to the Board of Daibochi on 3 March 1997 and subsequently appointed as the Managing Director on 1 October 1998. He was one of the first Directors of the Company when he was appointed on 2 October 1972. He held the post of Managing Director from 1972 to 1979 when he resigned from the Company as he left for Australia. Mr Yong subsequently rejoined the Board in 1997. He is also a member of the Remuneration Committee.

He holds a degree in Bachelor of Applied Science with Electronic Engineering from the Western Australian Institute of Technology. He has a wide experience in general management, finance, marketing and business development.

Mr. Yong has no family relationship with any Directors/substantial shareholders of Daibochi and has no conflict of interest with the Company. In the past ten (10) years, he has not been convicted of any offences.

He attended all the five (5) Board of Directors' meetings held during the financial year ended 31 December 2002.

Y. Bhg. Datuk Wong Soon Lim, Malaysian, aged 49 was appointed to the Board of Daibochi on 16 October 1981. He is an Executive Director. He is also a member of the Audit Committee.

He is an accountant by training and is a member of the Malaysian Association of the Institute of Chartered Secretaries and Administrators. He has an extensive experience and knowledge in the field of accounting, finance, consultancy, corporate finance, manufacturing and property development.

Datuk Wong has no family relationship with any Directors/substantial shareholders of Daibochi and has no conflict of interest with the Company. In the past ten (10) years, he has not been convicted of any offences.

He attended all the five (5) Board of Directors' meetings held during the financial year ended 31 December 2002.

Low Chan Tian, Malaysian, aged 47 was appointed to the Board of Daibochi on 26 July 1995 as an Alternate Director to the late Datuk Low Kiok Boo, a founder shareholder of Daibochi until 28 March 1998 when the late Datuk Low Kiok Boo retired from the Board. Low Chan Tian rejoined the Board when he was appointed as an Executive Director on 30 March 1999.

He graduated from the University of Western Australia with a Bachelor of Engineering degree. He has a wide experience in manufacturing, property development, business and finance.

Mr. Low is the brother of Low Chan Koon who is an Executive Director of Daibochi. He is also the son of Datin Teh Kim Hong who is a substantial shareholder of Daibochi. He has no conflict of interest with the Company. In the past ten (10) years, he has not been convicted of any offences.

He attended all the five (5) Board of Directors' meetings held during the financial year ended 31 December 2002.

Low Chan Koon, Malaysian, aged 51 was appointed to the Board of Daibochi on 13 August 1987. He was the former Managing Director of Daibochi from 1988 to 1996. Upon his resignation as Managing Director he remained on the Board as a Non-Executive Director and subsequently as an Executive Director since 1 April 1997.

He holds a degree in Engineering from the University of Western Australia. He has a wide experience in the manufacturing and property development industry.

Mr. Low is the brother of Low Chan Tian who is an Executive Director and substantial shareholder of Daibochi. He is also the son of Datin Teh Kim Hong who is a substantial shareholder of Daibochi. He has no conflict of interest with the Company. In the past ten (10) years, he has not been convicted of any offences.

He attended four (4) out of the five (5) Board of Directors' meetings held during the financial year ended 31 December 2002.

Y. Bhg. Maj. Gen. (Rtd) Dato' Haji Johan Hew Bin Abdullah, Malaysian, aged 62 was appointed on 1 April 1998. He is an Independent Non-Executive Director. He is also a member of the Audit Committee, Nomination Committee and Remuneration Committee.

He graduated from the Federation Military College, Malaya. He served in various senior positions in the Malaysian armed forces until his retirement in 1995 as the Commander of the Third Infantry Division in Terendak Camp, Melaka.

Dato' Johan has no family relationship with any Directors/substantial shareholders of Daibochi and has no conflict of interest with the Company. In the past ten (10) years, he has not been convicted of any offences.

He attended all the five (5) Board of Directors' meetings held during the financial year ended 31 December 2002.

P. James Edwin A/L Louis Pushparatnam, Malaysian, aged 47 was appointed to the Board of Daibochi on 20 February 2003. He is an Independent Non-Executive Director.

He holds a degree in Bachelor of Science Civil Engineering from Leeds University, England and has worked as a civil engineer in the Government. He later practised as a consultant engineer before joining a reputable housing development company in Kuala Lumpur. He also holds a Bachelor of Law (Honours) degree from the University of London. He was called to the English Bar at Lincoln's Inn in 1990 and the Malaysian Bar in 1991. In that same year, he started his own practise as an advocate & solicitor of the High Court of Malaya. He is a past president of the Malaysian Institute of Arbitrators and sits on the panel of the Malaysian Mediation Centre.

He has no family relationship with any Directors/substantial shareholders of Daibochi and has no conflict of interest with the Company. In the past ten (10) years, he has not been convicted of any offences.

Since his appointment was after the financial year ended 31 December 2002 Mr James Edwin did not attend any of the Board of Directors' meetings held during that financial year.

The Board of Directors is committed to ensuring that the principles and best practices on corporate governance are observed and practised as a fundamental part of discharging its responsibilities to protect and enhance shareholder value.

Currently, steps are being taken to prepare the Group towards the implementation of the best practices as set out in the Malaysian Code on Corporate Governance ("Code") and to fulfil the provisions of the Listing Requirements of the Kuala Lumpur Stock Exchange ("KLSE").

The Board

The Company is headed by an experienced Board comprising professionals and entrepreneurs with diverse skills in a wide range of business, financial, management, engineering and public service background. The Board controls effectively the direction and provides leadership for the Group.

The Directors have reviewed and adopted a strategic plan, which covers the core business of the Group. The various strategies and objectives identified in the plan are being monitored and evaluated during the implementation.

Board balance

The Board currently comprises eight (8) members of which four (4) are Executive Directors and four (4) are Independent Non-Executive Directors. The Company satisfies the requirement of the Code for Independent Non-Executive Directors to comprise at least one third of the Board's composition. A brief profile of each Director is presented on pages 5 and 6.

There is a balance in the Board because of the presence of Independent Non-Executive Directors who bring strong independent judgement, knowledge, skills and experience to the Board's deliberations during the decision making process.

Tan Sri Dato' Dr. Abdul Khalid Bin Sahan acts as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

All members of the Board, with the exception of the newly appointed Director, Mr. P. James Edwin A/L Louis Pushparatnam, have attended the Mandatory Accreditation Programme (MAP) training as prescribed by the KLSE. Mr. P. James Edwin A/L Louis Pushparatnam will be attending the MAP training in April 2003. Directors are encouraged to attend continuous education programme and seminars to keep abreast with developments in the market place.

Board meetings and supply of information

During the year, five (5) board meetings were held. All Directors fulfilled the requirement of the KLSE in relation to their attendance at Board meetings. Directors' attendance to these meetings is set out in Profiles of Directors on pages 5 and 6.

Board meetings are structured with a pre-set agenda. The agenda and the Board papers are circulated to Directors with sufficient time to enable the Directors to effectively discharge their responsibilities. Any additional information requested by Directors is readily available. Monthly reports on the performance of the Company are also circulated to the Directors for their views and comments. The Board also has a formal schedule of matters reserved to it for deliberation and decision.

In the furtherance of their duties, Directors have access to all information within the Company as well as to seek independent professional advice at the Company's expense, if necessary. The Directors also have access to the advice and services of the Company Secretary who must ensure that all necessary information is obtained from Directors both for the Company's own records and for the purposes of meeting statutory obligations.

Appointments to the Board

The Nomination Committee, which was set up on 14 December 2000, is responsible for recommending the right candidate for appointment to the Board or Board Committees.

The Committee is also responsible for the annual review of the required mix of skills and experience and core competency which Non-Executive Directors should bring to the Board and the annual assessment of the effectiveness of the Board as a whole, the Board Committees and the performance of each existing Director.

The Committee will be implementing a procedure for the required annual review and appraisal.

The members of the Nomination Committee which comprise exclusively of Independent Non-Executive Directors are as follows:

Tan Sri Dato' Dr. Abdul Khalid Bin Sahan (Chairman)
Datuk Haji Tamby Chik Bin Haji Hassan
Maj. Gen. (Rtd) Dato' Haji Johan Hew Bin Abdullah

The terms of reference of the Nomination Committee have been approved by the Board and comply with the recommendations of the Code.

Re-election of Directors

In accordance with the Company's Articles of Association, all newly appointed Directors are subject to re-election by the shareholders at the first Annual General Meeting after their appointment.

In accordance with the Company's Articles of Association, one third of the existing Directors are required to retire by rotation at the Annual General Meeting held annually.

A Director who is over seventy years old is required to submit himself for re-appointment annually in accordance to Section 129 (6) of the Companies Act, 1965.

Directors' remuneration

The levels of remuneration of the Directors should reflect the rate to attract and retain their services. The component parts of the remuneration should cover rewards linking corporate performance and individual contribution towards the overall results, in the case of Executive Directors. Reasonable allowances and fees are paid to the Non-Executive Directors to commensurate with their experience and skills. Directors' fees are tabled to the shareholders for approval at the Annual General Meeting.

The details of the remuneration of Directors for the year ended 31 December 2002 by category and in bands of RM50,000 are as follows:

	Salaries (RM'000)	Fees (RM'000)	Bonuses (RM'000)	Other emoluments (RM'000)	Benefits- in-kind (RM'000)	Total (RM'000)
Executive Directors	830	-	1,140	295	25	2,290
Non-Executive Directors	-	80	-	127	-	207

	Salaries	Bonuses	Other emoluments	Benefits- in-kind
<u>Executive Directors</u>				
RM1- RM50,000	-	-	3	2
RM50,001 - RM100,000	-	-	2	-
RM100,001 - RM150,000	4	1	-	-
RM150,001- RM200,000	-	3	-	-
RM300,001- RM350,000	1	-	-	-
RM400,001- RM450,000	-	1	-	-

	Fees	Other emoluments
<u>Non-Executive Directors</u>		
RM1- RM50,000	3	2
RM50,001 - RM100,000	-	1

The Board of Directors is of the opinion that it is inappropriate to disclose the remuneration of individual Directors and has opted not to do so.

A Remuneration Committee was set up on 14 December 2000. Its membership is as follows:

Tan Sri Dato' Dr. Abdul Khalid Bin Sahan (Chairman)

Datuk Haji Tamby Chik Bin Haji Hassan

Maj. Gen. (Rtd) Dato' Haji Johan Hew Bin Abdullah

Yong Jaw Teck

The Committee recommends to the Board the remuneration of the Executive Directors, in all forms. The determination of the remuneration of the Non-Executive Directors is a matter for the Board as a whole.

The terms of reference of the Remuneration Committee have been approved by the Board and comply with the recommendations of the Code.

Audit Committee

The composition and terms of reference of the Audit Committee together with its report are presented on pages 13 to 15 of the Annual Report.

Financial Reporting

In presenting its annual financial statements and quarterly results to the shareholders, the Directors aim to present a balanced and understandable assessment of the Group's position and prospects. The Audit Committee and the Board review the information to be disclosed before the release to the KLSE.

Internal control

The Directors recognise their ultimate responsibility for the Group's system of internal controls and the need to review the adequacy and the integrity of the internal control systems. The Directors also take cognizance of the importance of identifying principal risks and having an appropriate risk management system.

The Group has an Internal Audit Function, which reports to the Audit Committee and assists the Board in the monitoring and managing of risks and internal controls.

The Board and the management are currently undertaking a formal approach towards risk management and are working towards implementing an effective risk management system.

Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is set out on pages 13 to 15 of this Annual Report.

Relations with shareholders

A copy of the annual report is sent to all our shareholders and is available upon request. In addition the Company makes various announcements through the KLSE in particular the timely release of the quarterly results. Members of the public can also obtain the full financial results and the announcements from the KLSE website. The Group has established a website at www.daibochiplastic.com which shareholders and analysts can access for information.

The Board encourages shareholders' active participation at the Company's Annual General Meeting ("AGM"). All Board members and the external auditors are present at the Company's AGM. The AGM provides an opportunity for the shareholders to clarify any issues and to have a better understanding of the business.

The Board ensures that each item of special business included in the Notice of AGM or Extraordinary General Meeting must be accompanied by an explanation of the effects of the proposed resolution.

OTHER DISCLOSURE REQUIREMENTS

Pursuant to paragraph 9.25 of the Listing Requirements of the KLSE:

Imposition of sanctions/penalties

There were no sanctions/penalties imposed on the Group, Directors or management by the relevant regulatory bodies.

Material contracts involving Directors and major shareholders' interests

There are no material contracts subsisting as at 31 December 2002 or if not then subsisting, entered into since the end of the previous financial year, by the Company or its subsidiaries which involved the interests of Directors or major shareholders.

Statement of Directors' responsibility for preparing the financial statements

Pursuant to paragraph 15.27 (a) of the KLSE Listing Requirements, Directors are required to issue a statement explaining their responsibility in the preparation of the annual financial statements.

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have:

- * selected suitable accounting policies and applied them consistently;
- * made judgements and estimates that are reasonable and prudent;
- * ensured that all applicable accounting standards have been followed; and
- * prepared the financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Responsibility

The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness whilst the role of management is to implement the Board's policies on risk and control.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives.

In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

Key Processes

The Board confirms that there is a continuous process for identifying, evaluating and managing the significant risks faced by the Group, which has been in place for the financial year under review and up to date of approval of the annual report and financial statements.

Internal Audit Function

The Group had outsourced its internal audit function to an independent party who assists the Audit Committee as well as the Board of Directors in discharging their responsibilities by providing an independent, objective assurance and advisory services that add value and improve the operations by:

- * ensuring existence of processes to monitor the effectiveness and efficiency of operations and the achievement of business objectives;
- * ensuring adequacy and effectiveness of internal control systems for safeguarding of assets, providing consistent, accurate financial and operational data;
- * promoting risk awareness and the value and nature of an effective internal control system;
- * ensuring compliance with laws, regulations, corporate policies and procedures; and
- * assisting management in accomplishing its objectives by adopting a systematic and disciplined audit approach to evaluating and improving the effectiveness of risk management, control and governance processes within the companies' operations.

The internal audit function has focused on high priority activities determined by risk assessment and in accordance with the audit-planning memorandum approved by the Audit Committee. Please refer to the Audit Committee Report as set out on pages 13 to 15.

Internal Control System

The key elements of the Group's internal control system are described below:

- * Organisation structure with clearly defined delegation of responsibilities to the Committees of the Board and relevant authorities;
- * Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues;

- * The Company was accredited ISO 9002:1994 in the year 2000. Documented internal procedures and standard operating procedures have been put in place and surveillance audits are conducted twice a year by assessors of the ISO certification body to ensure that the system is adequately implemented;
- * Regular internal audit visits and other specific assignments, if the need arises, assigned by the Audit Committee and/or Board who monitors compliance with procedures and assesses the integrity of financial information provided;
- * Regular information are provided by the management to the Board on financial performance and key business indicators;
- * Monthly monitoring of results by the management through financial reports such as monthly management accounts and cash flow statements;
- * Budgeting and forecasting system governed by Group's policy;
- * Audit Committee holds regular meetings with management on the actions taken on internal control issues identified through reports prepared by the internal auditors, external auditors and/or management; and
- * Proper approval by the Board on capital expenditure.

There are no material losses incurred during the financial year as a result of weaknesses in internal control. The management will continue to take adequate measures to strengthen the control environment in which the Group operates.

Statement made in accordance with the resolution of the Board of Directors dated 27 March 2003.

AUDIT COMMITTEE REPORT

Annual Report 2002



The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2002.

The Audit Committee was established on 28 August 1993.

Members and meetings

The Audit Committee ("Committee") comprises the following members and the details of attendance of each member at the Committee meetings held during the financial year ended 31 December 2002 are as follows:

NAME	STATUS OF DIRECTORSHIP	INDEPENDENT	ATTENDANCE OF MEETINGS
Tan Sri Dato' Dr. Abdul Khalid Bin Sahan	Non-Executive Chairman	Yes	Attended three (3) out of four (4) meetings
Datuk Haji Tamby Chik Bin Haji Hassan	Non-Executive Director	Yes	Attended three (3) out of four (4) meetings
Maj. Gen. (Rtd) Dato' Haji Johan Hew Bin Abdullah	Non-Executive Director	Yes	Attended four (4) out of four (4) meetings
Datuk Wong Soon Lim	Executive Director	No	Attended four (4) out of four (4) meetings
Ms. Tan Gaik Hong (resigned 17 January 2003)	Executive Director and a member of the Malaysian Institute of Accountants	No	Attended three (3) out of four (4) meetings

The Managing Director was invited to attend the Committee meetings to provide clarification when necessary.

During the financial year the Committee met once with the external auditors without the presence of the Executive Directors.

1. TERMS OF REFERENCE

Frequency of meetings

Meetings will be held at least four (4) times a year and the quorum shall be three (3) with the majority of members present being Independent Directors. At least once a year the Committee shall meet with the external auditors in the absence of the Executive Directors.

Reporting to the Board

The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

Authority

The Committee is authorised by the Board to investigate any matter within its terms of reference. It is authorised to have full and unrestricted access to any information and be able to obtain independent professional advice.

Duties

The duties of the Committee are:

- * To review all financial statements before their submission to the Board for approval and or release to shareholders or third parties, focusing particularly on:
 - a) any changes in accounting policies and practices;
 - b) major judgmental areas affecting the financial statements;
 - c) significant adjustments arising from the audit;
 - d) the going concern assumption;
 - e) compliance with accounting standards;
 - f) compliance with stock exchange and other legal requirements.

- * To assess the impact of significant regulatory accounting or reporting changes and developments;
- * To consider any related party transaction that may arise within the Company or the Group, assess its impact on the financial results and its reporting in the financial statements;
- * To review all non-financial information that is of importance in assessing the Company's or Group's performance. These would include customer satisfaction, product and service quality, market share, market reaction, environmental issues and such other items, when dealing with any item on the Audit Committee Agenda.
- * To consider the appointment of external auditors, fix their remuneration and any changes thereto;
- * To discuss with the external auditors their audit plan and ensure co-ordination where more than one audit firm is involved;
- * To discuss problems and reservations arising from the external audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
- * To review the external auditors' management letter and management's response;
- * To review with the external auditors their review of the system of evaluation of internal controls;
- * To review with external auditors their audit report;
- * To meet with the external auditors, without executive Board members present at least once in a year;
- * Identifying principal risks and ensure the implementation of appropriate systems to manage these risks;
- * Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- * In relation to the Internal Audit Function:
 - To set up an Internal Audit Function;
 - Approve any appointment or termination of senior staff members of the Internal Audit Function;
 - Review and approve the internal audit plan and results of the internal audit work and consider adequacy of management's action taken on audit recommendations;
 - Review any appraisal or assessment of the performance of the internal audit function;
 - To consider the major findings of internal investigations and management's response;
 - To ensure co-ordination between the internal and external auditors.

2. SUMMARY OF ACTIVITIES UNDERTAKEN BY COMMITTEE

The following activities were carried out by the Committee during the financial year under review:

- (a) Reviewed the unaudited quarterly financial statements including the audited year end financial statements before recommending to the Board for approval;
- (b) Discussed and reviewed the Group's audited year end financial statements with the external auditors including any major issues and findings noted in the course of the audit of the Group's financial statements as well as new developments on accounting standards and regulatory requirements;
- (c) Reviewed with the external auditors their audit plan prior to the commencement of audit;
- (d) Considered the appointment of external auditors and their audit fees;
- (e) Considered the related party transactions that had arisen within the Company or the Group;
- (f) Reviewed the audit reports submitted by the Internal Auditors; and
- (g) Reviewed and approved the Internal Audit Plan for the year and the monitoring of the implementation of the approved audit plan.

3. INTERNAL AUDIT FUNCTION

The Group had in 1995 set up an Internal Audit Function. The terms of reference of the Internal Audit Function are contained in the Internal Audit Charter.

The Internal Audit Function reports to the Committee and prepares and tables an Annual Internal Audit Plan for the consideration and approval of the Committee. The Internal Audit Function adopts a risk-based approach in preparing its annual plan. The scope of the internal audit is based on the audit plan. The Internal Auditor reports to the Committee on a quarterly basis and provides the Committee with independent views on the effectiveness of the system of internal control after its reviews.

On behalf of the Board of Directors, it gives me very great pleasure to present the Annual Report of the Group for the year ended 31 December 2002.

BUSINESS AND FINANCIAL REVIEW

The Group and Company continues to operate in the very competitive and challenging environment which has been further affected by the general global economic slowdown.

During the year under review the Group's strategy to focus on providing quality services and products has enabled it to maintain its leadership position in the market. This has been coupled with the ongoing efforts to control its operating costs and improvement in efficiency in order to strengthen its competitive edge. All these efforts have shown positive results as reflected in the turnover and profitability for 2002.

In 2002 the Group has managed to achieve a consecutive record turnover year where the turnover exceeded the RM100 million mark. The turnover of RM119.001 million for the financial year 2002 registered an increase of 13% over the RM105.232 million achieved in 2001. The Group recorded a pre-tax profit of RM10.223million in 2002 as against RM9.181 million in 2001, representing an increase of 11%.

With regards to the development land within the Group plans are afoot to realise its development potential.

PROSPECTS

The Group will continue with its efforts to maintain its competitive edge in the very challenging and uncertain economic times ahead. Based on the excellent performance for the last three consecutive years the Directors are optimistic on the future prospects for the Group. Barring unforeseen circumstances the Directors are of the opinion that the Group will continue to achieve satisfactory results.

CORPORATE DEVELOPMENTS

During the year the Company undertook a bonus issue of one new ordinary share for every three existing ordinary shares of RM1.00 each. The said bonus issue was completed on 20 January 2003 when the bonus shares of 18,783,742 new ordinary shares of RM1.00 each were listed on the Kuala Lumpur Stock Exchange (KLSE).

In 2002 the Company also applied for a transfer of and the listing of and quotation for the entire enlarged issued and paid-up share capital of the Company from the Second Board to the Main Board of the KLSE. The said application for the transfer has been approved by both the Securities Commission and the KLSE. The transfer to and the listing on the Main Board will be effected on 28 March 2003.

DIVIDEND

The Board is recommending a first and final tax exempt dividend of 4 sen per share for the financial year ended 31 December 2002.

ACKNOWLEDGEMENT

On behalf of the Board, I wish to place on record our appreciation to the various government authorities and agencies, bankers, customers, suppliers and business associates for their continuous invaluable support and confidence in us.

We would also like to extend our sincere appreciation to our dedicated management and employees for their contribution to the success of the Group for the past year. We look forward to their continuous support to take the Group to greater heights.

TAN SRI DATO' DR. ABDUL KHALID BIN SAHAN
CHAIRMAN

27 March 2003

DIRECTORS' REPORT

Annual Report 2002



The Directors have pleasure in submitting their annual report to the members together with the audited financial statements of the Group and Company for the financial year ended 31 December 2002.

Principal activities

The principal activities of the Group and Company consist of manufacture and printing of plastic bags and packaging materials. During the financial year, one of the subsidiary, Daibochi Land Sdn Bhd (formerly known as Daibochi Development Sdn Bhd) commenced operations in property development.

Financial results

	<u>Group</u> RM'000	<u>Company</u> RM'000
Profit after taxation	7,506	7,553
Minority interest	11	-
Net profit for the financial year	<u>7,517</u>	<u>7,553</u>

Dividends

The amounts of dividends paid or declared by the Company since 31 December 2001 were as follows:

	RM'000
In respect of the financial year ended 31 December 2001 as shown in the Directors' report of that financial year -	
First and final tax exempt dividend of 3 sen per ordinary share on 55,603,026 ordinary shares	1,668
Dividends on ordinary shares issued through exercise of share options which rank pari passu with the other ordinary shares at 31 December 2001	11
Total dividends paid on 18 June 2002	<u>1,679</u>

On 19 February 2003, the Directors proposed, subject to the approval of the members at the forthcoming Annual General Meeting of the Company, a first and final tax exempt dividend of 4 sen per ordinary share amounting to RM 3,005,399 on the enlarged share capital of 75,134,968 ordinary shares of RM1.00 each subsequent to the bonus issue of 18,738,742 new ordinary shares of RM1.00 each allotted on 8 January 2003 for the financial year ended 31 December 2002 to be paid on 12 June 2003.

Share capital

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM55,603,026 to RM56,351,226 by way of exercise of options to subscribe for 748,200 ordinary shares of RM1.00 each under the Employees' Share Option Scheme at the exercise price of RM1.06 per ordinary share.

The newly issued shares rank pari passu in all respects with the existing issued ordinary shares except that they will not qualify for any dividend or distribution declared to members on the Register of Members and Record of Depositors as at the relevant books closing date which precedes the option exercise date.



Employees' share option scheme

The Employees' Share Option Scheme ("the Scheme") was approved by the members at the Extraordinary General Meeting held on 24 July 1999. The Scheme will expire on 24 September 2004.

The principal features of the Scheme are as follows:

- (a) The total number of new ordinary shares to be offered under the Scheme shall be subject to a maximum of 10% of the issued and paid-up share capital of the Company at any time during the existence of the Scheme;
- (b) Only employees and Executive Directors who have been confirmed in the employment of the Company and/or its subsidiaries and who have served the Group for at least one year as employees as at the date of the offer shall be eligible to participate in the Scheme;
- (c) The price payable for each new ordinary share under the Scheme upon exercise of the option shall be the average of the mean market quotation of the ordinary shares of the Company as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five trading days preceding the date of the offer or the par value of the ordinary shares whichever is higher; and
- (d) The new ordinary shares of the Company to be issued pursuant to the Scheme will, upon allotment and issue, rank pari passu in all respects with its then existing ordinary shares except that they will not qualify for any dividend or distribution declared to shareholders on the Register of Members and Record of Depositors as at the relevant books closing date which precedes the option exercise date.

A total of 748,200 options were exercised during the financial year at an issue price of RM1.06.

As at 31 December 2002, the Company has 2,183,800 unissued ordinary shares under option at an exercise price of RM1.06.

Warrants

The warrants were detached from the 5% Guaranteed Bonds (issued on 24 January 1994 and repaid fully on 23 January 1999) on the basis of RM2.00 nominal value of the Bonds with one detachable warrant for every two existing ordinary shares held.

The warrants are quoted on the Kuala Lumpur Stock Exchange. Each warrant entitles its registered holder at any time not exceeding five years from the date of its issue, to subscribe for one new ordinary share of RM1.00 each in the Company at an exercise price of RM3.50 per warrant.

The duration and exercise period of the outstanding warrants were extended from 23 January 1999 to 23 January 2004.

As at 31 December 2002, the number of warrants remaining unexercised amounted to 17,406,038 at the warrant price of RM1.94.

Reserves and provisions

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

Directors

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

Tan Sri Dato' Dr. Abdul Khalid Bin Sahan
 Datuk Haji Tamby Chik Bin Haji Hassan
 Datuk Wong Soon Lim
 Low Chan Koon
 Yong Jaw Teck
 Maj. Gen. (Rtd) Dato' Haji Johan Hew Bin Abdullah
 Low Chan Tian
 P. James Edwin A/L Louis Pushparatnam (appointed on 20 February 2003)
 Tan Gaik Hong (resigned on 17 January 2003)

Datuk Haji Tamby Chik Bin Haji Hassan retires pursuant to Section 129(2) of the Companies Act, 1965 and seeks re-election as Director under Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

In accordance with the Company's Articles of Association, Tan Sri Dato' Dr. Abdul Khalid Bin Sahan and Datuk Wong Soon Lim retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with the Company's Articles of Association, P. James Edwin A/L Louis Pushparatnam who was appointed during the period retires at the forthcoming Annual General Meeting and, being eligible, offers himself for election.

Directors' benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the options over shares granted by the Company to eligible employees, including certain Directors of the Company, pursuant to the Employees' Share Option Scheme.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed as Directors' remuneration in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' interests in shares and debentures

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the year in shares, warrants and options over shares in the Company are as follows:

(a) Directors' interests in shares

	Number of ordinary shares of RM1.00 each			
	At 1.1.2002	Bought	Sold	At 31.12.2002
Datuk Haji Tamby Chik Bin Haji Hassan	80,645	-	-	80,645
Datuk Wong Soon Lim	3,488,580	164,000	80,000	3,572,580
Low Chan Koon	4,439,873	-	2,135,000	2,304,873
Yong Jaw Teck	1,299,180	100,000	72,000	1,327,180
Low Chan Tian	3,280,140	-	-	3,280,140
Tan Gaik Hong	126,080	80,000	10,000	196,080

- (b) Warrants with a right to subscribe for ordinary shares on the basis of one new ordinary share for every one warrant held at an exercise price of RM1.94 per warrant.

	At 1.1.2002	Bought	Number of warrants	
			Sold	At 31.12.2002
Datuk Haji Tamby Chik Bin Haji Hassan	230	-	-	230
Datuk Wong Soon Lim	45,450	-	7,000	38,450
Low Chan Koon	1,600,784	-	495,000	1,105,784
Yong Jaw Teck	194,850	-	53,000	141,850
Low Chan Tian	1,350,000	-	-	1,350,000

- (c) Share options granted pursuant to the Employees' Share Option Scheme and entitles the holder to subscribe for one new ordinary share of RM1.00 each for every option held at RM1.06 per share.

	At 1.1.2002	Granted	Number of options	
			Exercised	At 31.12.2002
Datuk Wong Soon Lim	205,200	-	164,000	41,200
Yong Jaw Teck	205,200	-	100,000	105,200
Tan Gaik Hong	102,600	-	80,000	22,600

None of the other Directors in office at the end of the financial year held any interest in shares, warrants, options or debentures in the Company and its related corporations.

No Directors held any interest in debentures of the Company and its related corporations during the financial year.

Statutory information on the financial statements

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

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company have been written down to an amount which they might be expected so to realise.

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

- which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

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

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

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

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

In the opinion of the Directors:

- (a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

Significant post balance sheet events

The significant post balance sheet events are disclosed in Note 29 to the financial statements.

Auditors

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 27 March 2003

TAN SRI DATO' DR. ABDUL KHALID BIN SAHAN
DIRECTOR

DATUK WONG SOON LIM
DIRECTOR

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Tan Sri Dato' Dr. Abdul Khalid Bin Sahan and Datuk Wong Soon Lim, being two of the Directors of Daibochi Plastic and Packaging Industry Bhd, state that in the opinion of the Directors, the financial statements set out on pages 24 to 49 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2002 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 27 March 2003

TAN SRI DATO' DR. ABDUL KHALID BIN SAHAN
Director

DATUK WONG SOON LIM
Director

STATUTORY DECLARATION PURSUANT TO

SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Tan Gaik Hong, the officer primarily responsible for the financial management of Daibochi Plastic And Packaging Industry Bhd, do solemnly and sincerely declare that the financial statements set out on pages 24 to 49 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

TAN GAIK HONG

Subscribed and solemnly declared by the abovenamed Tan Gaik Hong at Melaka in Malaysia on 27 March 2003

Before me.

A. SUPRAMANIAM, PIS

COMMISSIONER FOR OATHS

REPORT OF THE AUDITORS TO THE MEMBERS

Annual Report 2002



We have audited the financial statements set out on pages 24 to 49. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and Company as at 31 December 2002 and of the results and cash flows of the Group and Company for the financial year ended on that date;

and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The name of the subsidiary of which we have not acted as auditors is indicated in Note 14 to the financial statements. We have considered the financial statements of this subsidiary and the auditors' report thereon.

We are satisfied that the financial statements of the subsidiaries 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 audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

JAYARAJAN A/L U. RATHINASAMY
(No. 2059/06/04(J))
Partner of the firm

Melaka

27 March 2003



INCOME STATEMENTS

Annual Report 2002

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

		Group		Company	
	Note	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Revenue	5	119,001	105,232	119,025	105,199
Cost of sales		(101,474)	(90,410)	(101,652)	(90,401)
Gross profit		17,527	14,822	17,373	14,798
Other operating income		800	781	799	781
Selling and distribution costs		(3,125)	(3,085)	(2,948)	(3,085)
Administrative expenses		(4,420)	(2,655)	(4,406)	(2,650)
Profit from operations	6	10,782	9,863	10,818	9,844
Finance cost	8	(557)	(659)	(548)	(659)
Share of associate's pretax results		(2)	(23)	-	-
Profit from ordinary activities before taxation		10,223	9,181	10,270	9,185
Taxation	9				
- Company and subsidiaries		(2,717)	(819)	(2,717)	(819)
Profit after taxation		7,506	8,362	7,553	8,366
Minority interest		11	(11)	-	-
Net profit for the financial year		7,517	8,351	7,553	8,366
Earnings per share (sen)					
- basic	10	13.4	15.0		
- diluted	10	13.3	14.9		
Dividends per share (sen)	11	4.00	3.00		

BALANCE SHEETS

Annual Report 2002



AS AT 31 DECEMBER 2002

		Group		Company	
		2002	2001	2002	2001
	Note	RM'000	RM'000	RM'000	RM'000
Non current assets					
Property, plant and equipment	12	72,068	71,739	72,009	71,739
Land held for development, at cost		10,854	-	-	-
Associate	13	10	12	-	-
Subsidiaries	14	-	-	250	0
		<u>82,932</u>	<u>71,751</u>	<u>72,259</u>	<u>71,739</u>
Current assets					
Inventories	15	18,716	17,170	18,397	17,097
Trade and other receivables	16	23,970	24,108	23,574	23,989
Amounts receivable from subsidiaries		-	-	6,695	274
Deposits, cash and bank balances	25	8,446	4,457	8,142	4,444
		<u>51,132</u>	<u>45,735</u>	<u>56,808</u>	<u>45,804</u>
Less: Current liabilities					
Trade and other payables	17	20,188	14,028	20,134	14,002
Borrowings (interest-bearing)	18	-	1,091	-	1,091
- bank overdraft		4,458	4,793	4,447	4,793
- others		616	461	616	461
Income tax liabilities		<u>25,262</u>	<u>20,373</u>	<u>25,197</u>	<u>20,347</u>
Net current assets		<u>25,870</u>	<u>25,362</u>	<u>31,611</u>	<u>25,457</u>
Less: Non current liabilities					
Borrowings (interest-bearing)	18	7,886	4,591	2,824	4,591
Deferred tax liabilities	19	3,757	1,983	3,757	1,983
		<u>11,643</u>	<u>6,574</u>	<u>6,581</u>	<u>6,574</u>
		<u>97,159</u>	<u>90,539</u>	<u>97,289</u>	<u>90,622</u>
Capital and reserves					
Share capital	20	56,351	55,603	56,351	55,603
Share premium		1,224	1,179	1,224	1,179
Retained earnings	21	39,584	33,746	39,714	33,840
		<u>97,159</u>	<u>90,528</u>	<u>97,289</u>	<u>90,622</u>
Shareholders' equity		<u>97,159</u>	<u>90,528</u>	<u>97,289</u>	<u>90,622</u>
Minority interest		-	11	-	-
		<u>97,159</u>	<u>90,539</u>	<u>97,289</u>	<u>90,622</u>

"0" in 2001 denotes RM205.00

CONSOLIDATED STATEMENT

Annual Report 2002

OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

	Note	Issued and fully paid ordinary share of RM1.00 each Nominal value RM'000	Non- distributable Share premium RM'000	Distributable Retained earnings RM'000	Total RM'000
<u>2002</u>					
As at 1 January 2002					
- as previously reported		55,603	1,179	32,078	88,860
- prior year adjustment	22	-	-	1,668	1,668
		<hr/>	<hr/>	<hr/>	<hr/>
- as restated		55,603	1,179	33,746	90,528
Shares issued during the financial year					
- pursuant to Employees' Share Option Scheme		748	45	-	793
Net profit for the financial year		-	-	7,517	7,517
Final dividend paid for the financial year ended:					
- 31 December 2001		-	-	(1,679)	(1,679)
		<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2002		<u>56,351</u>	<u>1,224</u>	<u>39,584</u>	<u>97,159</u>
<u>2001</u>					
As at 1 January 2001					
- as previously reported		55,558	1,176	25,395	82,129
- prior year adjustment	22	-	-	1,600	1,600
		<hr/>	<hr/>	<hr/>	<hr/>
- as restated		55,558	1,176	26,995	83,729
Shares issued during the financial year					
- pursuant to Employees' Share Option Scheme		45	3	-	48
Net profit for the financial year		-	-	8,351	8,351
Final dividend paid for the financial year ended:					
- 31 December 2000		-	-	(1,600)	(1,600)
		<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2001		<u>55,603</u>	<u>1,179</u>	<u>33,746</u>	<u>90,528</u>

COMPANY STATEMENT OF CHANGES IN EQUITY

Annual Report 2002



FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	Issued and fully paid ordinary share of RM1.00 each Nominal value RM'000	Non- distributable Share premium RM'000	Distributable Retained earnings RM'000	Total RM'000
<u>2002</u>					
As at 1 January 2002					
- as previously reported		55,603	1,179	32,172	88,954
- prior year adjustment	22	-	-	1,668	1,668
		<hr/>	<hr/>	<hr/>	<hr/>
- as restated		55,603	1,179	33,840	90,622
Shares issued during the financial year					
- pursuant to Employees' Share Option Scheme		748	45	-	793
Net profit for the financial year		-	-	7,553	7,553
Final dividend paid for the financial year ended:					
- 31 December 2001		-	-	(1,679)	(1,679)
		<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2002		<u>56,351</u>	<u>1,224</u>	<u>39,714</u>	<u>97,289</u>
<u>2001</u>					
As at 1 January 2001					
- as previously reported		55,558	1,176	25,474	82,208
- prior year adjustment	22	-	-	1,600	1,600
		<hr/>	<hr/>	<hr/>	<hr/>
- as restated		55,558	1,176	27,074	83,808
Shares issued during the financial year					
- pursuant to Employees' Share Option Scheme		45	3	-	48
Net profit for the financial year		-	-	8,366	8,366
Final dividend paid for the financial year ended:					
- 31 December 2000		-	-	(1,600)	(1,600)
		<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2001		<u>55,603</u>	<u>1,179</u>	<u>33,840</u>	<u>90,622</u>

CONSOLIDATED CASH FLOW STATEMENT

Annual Report 2002

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

	Note	<u>2002</u> RM'000	<u>2001</u> RM'000
Cash flows from operating activities			
Cash receipts from customers and other receivables		119,609	104,552
Cash paid to suppliers, employees and other payables		(96,893)	(92,206)
Cash generated from operations	23	22,716	12,346
Interest paid		(557)	(659)
Tax paid		(788)	(418)
Net cash from operating activities		<u>21,371</u>	<u>11,269</u>
Cash flows from investing activities			
Purchase of land held for development		(10,854)	-
Proceeds from disposal of property, plant and equipment		181	109
Purchase of property, plant and equipment	24	(7,862)	(12,169)
Interest received		243	177
Net cash used in investing activities		<u>(18,292)</u>	<u>(11,883)</u>
Cash flows from financing activities			
Dividend paid to shareholders		(1,679)	(1,600)
Proceeds from issuance of shares		793	48
Proceeds from term loans drawn down		8,379	5,049
Repayment of term loans		(5,492)	(3,791)
Net cash from/(used in) financing activities		<u>2,001</u>	<u>(294)</u>
Net increase/(decrease) in cash and cash equivalents		5,080	(908)
Cash and cash equivalents at the beginning of financial year		3,366	4,274
Cash and cash equivalents at the end of financial year	25	<u><u>8,446</u></u>	<u><u>3,366</u></u>

COMPANY CASH FLOW STATEMENT

Annual Report 2002



FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2002

	Note	<u>2002</u> RM'000	<u>2001</u> RM'000
Cash flows from operating activities			
Cash receipts from customers and other receivables		119,909	104,477
Cash paid to suppliers, employees and other payables		(96,675)	(92,142)
Cash generated from operations	23	23,234	12,335
Interest paid		(548)	(659)
Tax paid		(788)	(418)
Net cash from operating activities		21,898	11,258
Cash flows from investing activities			
Purchase of additional shares issued by subsidiary		(250)	-
Acquisition of subsidiary		-	0
Proceeds from disposal of property, plant and equipment		181	109
Purchase of property, plant and equipment		(7,862)	(12,169)
Interest received		242	177
Net cash used in investing activities		(7,689)	(11,883)
Cash flows from financing activities			
Advances to subsidiary		(6,421)	-
Dividend paid to shareholders		(1,679)	(1,600)
Proceeds from issuance of shares		793	48
Proceeds from term loans drawn down		3,379	5,049
Repayment of term loans		(5,492)	(3,791)
Net cash used in financing activities		(9,420)	(294)
Net increase/(decrease) in cash and cash equivalents		4,789	(919)
Cash and cash equivalents at the beginning of financial year		3,353	4,272
Cash and cash equivalents at the end of financial year	25	8,142	3,353

"0" in 2001 denotes RM199.00

1 General information

The principal activities of the Group and Company consist of manufacture and printing of plastic bags and packaging materials. During the financial year, one of the subsidiary, Daibochi Land Sdn Bhd (formerly known as Daibochi Development Sdn Bhd) commenced operations in property development.

The number of employees as at 31 December 2002 for the Group was 498 (2001: 479) and for the Company was 497 (2001: 479).

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE"). The Company will be transferred and listed on the Main Board of the KLSE on 28 March 2003.

The address of the registered office and principal place of business of the Company is as follows:

Kompleks Daibochi Plastic,
Lot 3 & 7, Air Keroh Industrial Estate, Phase IV,
75450 Melaka.

2. Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies in Note 3 to the financial statements.

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

The preparation of financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act 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 reported period. Actual results could differ from those estimates.

3. Summary of significant accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Group accounting

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year.

Subsidiaries are those enterprises in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiaries are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the financial year are included from the date of acquisition up to the date of disposal.

Intragroup transactions, balances and unrealised gains on transactions are eliminated. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

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

(ii) Associates

Associates are enterprises in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies. Investments in associates are accounted for in consolidated financial statements by the equity method of accounting.

Equity accounting involves recognising in the income statement the Group's share of the results of associates for the year. The Group's investments in associates are carried in the balance sheet at an amount that reflects its share of the net assets of the associate and includes goodwill (net of accumulated amortisation) on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

(b) Property, plant and equipment

Freehold land is stated at cost while all other property, plant and equipment are stated at cost less accumulated depreciation.

Freehold land is not depreciated as it has an infinite life. Long leasehold land is amortised over the leasehold period of 99 years. Depreciation of other property, plant and equipment is calculated to write off the cost of the property, plant and equipment on the straight line basis over the expected useful lives of the assets concerned. The depreciation charge for printing cylinders commences from the financial year following production. The principal annual rates used are as follows:

Buildings	2%
Motor vehicles	20%
Plant and machinery	6.67 - 10%
Printing cylinders	25%
Furniture and fittings and office equipment	10 - 20%

During the financial year, the Group changed the estimate of the useful lives of certain office equipment. As a result the depreciation rate of this category of assets has changed to 10- 20% annually from the previous rate of 10% annually. The change has been made to better reflect the current estimate of the useful economic lives of those assets. This has resulted in an increase in depreciation charge for the current financial year of RM39,000.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit/loss from operations.

(c) Inventories

Inventories are stated at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete and slow-moving inventories. Cost is determined on the weighted average basis. In the case of work-in-progress and finished goods, cost includes materials, direct labour and an appropriate proportion of production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(d) Deferred taxation

Deferred taxation is recorded using the liability method on all material timing differences between taxable and accounting profits. Debit balances on the deferred taxation account are not recognised unless there is reasonable expectation of their recovery.

(e) Trade receivables

Trade receivables are carried at anticipated realisable amounts less an estimated allowance for doubtful debts based on a review of all outstanding amounts at the financial year end. Bad debts are written off during the financial year when they are identified.

(f) Land held for development

Land held for development is stated at cost. Cost comprise land cost and development expenditure which includes borrowing cost directly relating to the financing of the development up until the properties are ready for their intended use.

Land and development expenditure pertaining to those portions of property development projects in which development works are expected to complete within the normal operating cycle of one to two years are classified as current assets. The portions expected to complete beyond the normal operating cycle are classified under non-current assets.

(g) Borrowing costs

Borrowing cost relating to development properties is capitalised during the periods in which the activities to prepare and develop the properties are carried out.

(h) Foreign currencies

(i) Foreign operations

Financial statements of foreign operations that are integral to the operations of the Company are translated using the procedures in the following paragraph as if the transactions of the foreign operations had been those of the Company.

(ii) Foreign currency transactions

Foreign currency transactions in Group companies are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

(iii) Closing rates

The principal closing rates used in translation of foreign currency amounts at balance sheet date were as follows:

<u>Foreign currency</u>	<u>2002</u>	<u>2001</u>
	RM	RM
1 Singapore Dollar	2.17	2.08
1 US Dollar	3.80	3.80
1 Australian Dollar	2.11	1.95

(i) Investments

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

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to the income statement.

(j) Revenue recognition

Sales are recognised upon delivery of products and customer acceptance, if any, net of sales taxes and discounts, and after eliminating sales within the Group.

Interest income is recognised on the accrual basis.

(k) Cash and cash equivalents

For the purposes of cash flow statements, cash and cash equivalents comprise cash in hand, deposits held at call with banks, (net of bank overdrafts) and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Ordinary dividends to shareholders

Dividends on ordinary shares are recognised as a liability when proposed or declared by the Board of Directors before the balance sheet date. Dividends when proposed or declared by the Board of Directors after the balance sheet date but before the financial statements are authorised for issue will be accounted for in the next financial period.

(m) Financial instruments

(i) Financial instruments recognised on the balance sheet

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

(ii) Fair value estimation for disclosure purposes

In assessing the fair value of non-traded derivatives and financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long term debt. Other techniques, such as option pricing models and estimated discounted value of future cash flows, are used to determine fair value for the remaining financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The face values, less any estimated credit adjustments, for financial assets and liabilities that mature in less than one financial year are assumed to approximate their fair values.

4. Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk and liquidity risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders.

The Group has established a Risk Committee with written risk management policies and guidelines which set out the suitable risk framework for the Group.

(a) Foreign currency exchange risk

The Company incurs foreign exchange risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is primarily US Dollars.

The Company does not hedge its trade receivables and trade payables as the exchange rate for US Dollar has been pegged to Ringgit Malaysia at 3.80. Accordingly the exposure to foreign currency exchange risk is minimal.

(b) Interest rate risk

Interest rate exposure arises from the Group's borrowings and deposits, and is managed through the use of fixed and floating rate debt. However, the exposure to interest rate risk is minimal as interest income is minimal and the Group is not heavily geared.

(c) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit.

There is no major concentration of credit risk with respect to trade receivables due to the Group's large number of customers. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

(d) Liquidity risk

The objective of sound and prudent liquidity management is to ensure that funds will be available at all times to honour all cash outflow obligations as they become due. Since liquidity risk is closely linked to credit risk, the previously mentioned credit risk control mechanisms apply to the monitoring and managing of liquidity risk.

5. Revenue

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Sale of goods	<u>119,001</u>	<u>105,232</u>	<u>119,025</u>	<u>105,199</u>

6. Profit from operations

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Profit from operations is arrived at after charging/(crediting):				
Property, plant and equipment				
- depreciation charge	7,447	6,951	7,433	6,951
- write off	66	9	66	9
- gain on disposals	(88)	(100)	(88)	(100)
Auditors' remuneration	36	28	25	25
Rental of premises	25	21	25	21
Hire of plant and machinery	9	21	9	21
Staff costs (including remuneration of Executive Directors)	14,242	11,518	14,095	11,518
Interest income	(243)	(177)	(242)	(177)
Allowance for doubtful debts net of recoveries	(210)	213	(210)	213
Net realised foreign exchange gain	(119)	(22)	(100)	(22)

7. Directors' remuneration

The aggregate amount of emoluments receivable by Directors of the Company during the financial year were as follows:

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Non-executive Directors:				
- fees	80	45	80	45
- allowances	127	98	127	98
Executive Directors:				
- estimated money value of benefits-in-kind	25	22	25	22
- basic salaries, bonus and other emoluments	2,265	1,199	2,265	1,199
	<u>2,497</u>	<u>1,364</u>	<u>2,497</u>	<u>1,364</u>

8. Finance cost

Interest expense on:				
Term loans	552	658	548	658
Hire purchase	5	-	-	-
Bank overdraft	-	1	-	1
	<u>557</u>	<u>659</u>	<u>548</u>	<u>659</u>

9. Taxation

	Group and Company	
	<u>2002</u>	<u>2001</u>
	RM'000	RM'000
The taxation credit/(charge) comprise:		
In respect of the financial year		
- Malaysia income tax	(914)	(600)
- Deferred tax (Note 19)	(793)	(355)
	<u>(1,707)</u>	<u>(955)</u>
In respect of prior financial year		
- Malaysia income tax	(29)	136
- Deferred tax (Note 19)	(981)	-
	<u>(2,717)</u>	<u>(819)</u>

The effective tax rate of the Group and of the Company is lower than the statutory rate mainly due to availability of tax incentives.

There was no share of associate's tax during the financial year.

10. Earnings per share

(a) Basic earnings per share

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

	<u>2002</u>	<u>2001</u>
Net profit for the financial year (RM'000)	<u>7,517</u>	<u>8,351</u>
Weighted average number of ordinary shares in issue ('000)	<u>55,928</u>	<u>55,563</u>
Basic earnings per share (sen)	<u>13.4</u>	<u>15.0</u>

(b) Diluted earnings per share

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: warrants with a right to subscribe for ordinary shares and share options granted to employees.

In calculating diluted earnings per share, the warrants and the share options granted to employees are assumed to have been exercised and converted into ordinary shares. A calculation is done to determine the number of shares that could have been acquired at market price (determined as the average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding warrants and share options. This calculation serves to determine the 'unpurchased' shares to be added to

the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit for the financial year for the warrants and share options calculation.

	<u>2002</u>	<u>2001</u>
Net profit for the financial year (RM'000)	<u>7,517</u>	<u>8,351</u>
Weighted average number of ordinary shares in issue ('000)	55,928	55,563
Adjustments for:		
- share options	423	487
- warrants	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>56,351</u>	<u>56,050</u>
Diluted earnings per share (sen)	<u>13.3</u>	<u>14.9</u>

For the financial year ended 31 December 2002, since diluted earnings per share increased when taking the warrants into account, the warrants are anti-dilutive and are ignored in the calculation of diluted earnings per share.

11. Dividends

Dividends declared or proposed are as follows:

	Group and Company			
	<u>2002</u>		<u>2001</u>	
	Gross dividend net		Gross dividend net	
	per share	of tax	per share	of tax
	Sen	RM'000	Sen	RM'000
First and final tax exempt dividend	4	3,005	3	1,668
Dividends on ordinary shares issued through exercise of share options which rank pari passu with the other ordinary shares at 31 December 2001	-	-	-	11
	<u>4</u>	<u>3,005</u>	<u>3</u>	<u>1,679</u>

On 19 February 2003, the Directors proposed, subject to the approval of the members at the forthcoming Annual General Meeting of the Company, a first and final tax exempt dividend of 4 sen per ordinary share amounting to RM 3,005,399 on the enlarged share capital of 75,134,968 ordinary shares of RM1.00 each subsequent to the bonus issue of 18,738,742 new ordinary shares of RM1.00 each allotted on 8 January 2003 for the financial year ended 31 December 2002 to be paid on 12 June 2003.

These financial statements do not reflect this proposed first and final dividend as it was proposed by the Board after the balance sheet date but it will be accrued as a liability in the year ending 31 December 2003. This represents a change in accounting treatment from that of prior years as explained in Note 22.

12. Property, plant and equipment

	Freehold land	Long leasehold land	Buildings	Motor vehicles	Plant and machinery	Printing cylinders	Furniture and fittings and office equipment	Total
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Movement of net book value</u>								
As at 1 January 2002	656	5,284	15,930	690	45,822	2,303	1,054	71,739
Additions	7	-	471	590	5,684	929	254	7,935
Disposals	-	-	-	(90)	(3)	-	-	(93)
Write off	-	-	-	-	(27)	-	(39)	(66)
Depreciation charge	-	(59)	(348)	(258)	(5,643)	(916)	(223)	(7,447)
As at 31 December 2002	<u>663</u>	<u>5,225</u>	<u>16,053</u>	<u>932</u>	<u>45,833</u>	<u>2,316</u>	<u>1,046</u>	<u>72,068</u>
As at 31 December 2002								
Cost	663	5,659	17,849	2,212	91,382	8,195	1,998	127,958
Accumulated depreciation	-	(434)	(1,796)	(1,280)	(45,549)	(5,879)	(952)	(55,890)
Net book value	<u>663</u>	<u>5,225</u>	<u>16,053</u>	<u>932</u>	<u>45,833</u>	<u>2,316</u>	<u>1,046</u>	<u>72,068</u>
As at 31 December 2001								
Cost	656	5,659	17,378	1,974	89,708	7,266	2,343	124,984
Accumulated depreciation	-	(375)	(1,448)	(1,284)	(43,886)	(4,963)	(1,289)	(53,245)
Net book value	<u>656</u>	<u>5,284</u>	<u>15,930</u>	<u>690</u>	<u>45,822</u>	<u>2,303</u>	<u>1,054</u>	<u>71,739</u>
<u>Company</u>								
<u>Movement of net book value</u>								
As at 1 January 2002	656	5,284	15,930	690	45,822	2,303	1,054	71,739
Additions	7	-	471	517	5,684	929	254	7,862
Disposals	-	-	-	(90)	(3)	-	-	(93)
Write off	-	-	-	-	(27)	-	(39)	(66)
Depreciation charge	-	(59)	(348)	(244)	(5,643)	(916)	(223)	(7,433)
As at 31 December 2002	<u>663</u>	<u>5,225</u>	<u>16,053</u>	<u>873</u>	<u>45,833</u>	<u>2,316</u>	<u>1,046</u>	<u>72,009</u>

	Freehold land	Long leasehold land	Buildings	Motor vehicles	Plant and machinery	Printing cylinders	Furniture and fittings and office equipment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2002								
Cost	663	5,659	17,849	2,139	91,382	8,195	1,998	127,885
Accumulated depreciation	-	(434)	(1,796)	(1,266)	(45,549)	(5,879)	(952)	(55,876)
Net book value	<u>663</u>	<u>5,225</u>	<u>16,053</u>	<u>873</u>	<u>45,833</u>	<u>2,316</u>	<u>1,046</u>	<u>72,009</u>

As at 31 December 2001

Cost	656	5,659	17,378	1,974	89,708	7,266	2,343	124,984
Accumulated depreciation	-	(375)	(1,448)	(1,284)	(43,886)	(4,963)	(1,289)	(53,245)
Net book value	<u>656</u>	<u>5,284</u>	<u>15,930</u>	<u>690</u>	<u>45,822</u>	<u>2,303</u>	<u>1,054</u>	<u>71,739</u>

The net book value of plant and machinery amounting to RM5,555,000 has been pledged as security to the bank for bank term loans (Note 18).

Included in property, plant and equipment is a motor vehicle acquired under hire purchase agreement amounted to RM59,000.

13. Associate

	2002 RM'000	Group 2001 RM'000
Unquoted shares at cost	75	75
Share of post-acquisition loss	(65)	(63)
Total interest in associate	<u>10</u>	<u>12</u>
Represented by:		
Share of net tangible assets	<u>10</u>	<u>12</u>

There was no goodwill in the associate's own financial statements and no premium was paid for the acquisition of interest in associate.

Details of the associate, incorporated in Malaysia are as follows:

Name of company	Principal activity	Country of incorporation	Equity interest		Financial year end
			2002	2001	
Cempaka Usaha Sdn Bhd	Property development - dormant	Malaysia	30%	30%	31 December

14. Subsidiaries

	Company	
	<u>2002</u>	<u>2001</u>
	RM'000	RM'000
Shares in unquoted corporations, at cost	<u>250</u>	<u>0</u>

"0" in 2001 denotes RM205.00

The shares of all subsidiaries are held directly by the Company. The details of the subsidiaries are as follows:

<u>Name of company</u>	<u>Principal activity</u>	<u>Group's effective interest</u>		<u>Country of incorporation</u>
		<u>2002</u>	<u>2001</u>	
		%	%	
Daibochi Land Sdn Bhd (formerly known as Daibochi Development Sdn Bhd)^	Property Development	100	100	Malaysia
Daibochi Technology Sdn Bhd	Dormant	100	100	Malaysia
Stable Development Sdn Bhd	Dormant	100	100	Malaysia
Daibochi Australia Pty. Ltd.*	Marketing of plastic bags and packaging materials	51	51	Australia

^ On 13 March 2003, Daibochi Development Sdn Bhd changed its name to Daibochi Land Sdn Bhd.

* Audited by other firm of auditors.

Acquisition of a subsidiary in the previous year

- (i) During the previous financial year, the Company subscribed RM199 in cash for a 51% equity interest in Daibochi Australia Pty Ltd, a newly incorporated company.
- (ii) The effect of the acquisition on the financial results of the Group during the previous financial year is shown below:

	<u>2001</u>
	RM'000
Revenue	33
Operating costs	(11)
Profit from operations	<u>22</u>
Minority Interest	(11)
	<u>11</u>

(iii) The effect of this acquisition on the financial position at the previous financial year is as follows:-

	<u>2001</u> RM'000
Inventories	6
Trade and other receivables	118
Bank and cash balances	11
Trade and other payables	(24)
Minority interest	(11)
	<u>100</u>
Increase in Group net assets	<u>100</u>

(iv) The impact of the acquisition of Daibochi Australia Pty Ltd during the previous financial year on cash flows of the Group and Company is as follows:

	<u>Group</u> <u>2002</u> RM'000	<u>Company</u> <u>2001</u> RM'000
Cash outflows from investing activities		
- acquisition of subsidiary	<u>-</u>	<u>0</u>

"0" denote RM199.00

15. Inventories

	<u>Group</u>		<u>Company</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
At cost				
Raw materials	10,020	9,132	10,020	9,132
Work-in-progress	3,586	3,519	3,586	3,519
Finished goods	5,064	4,501	4,745	4,428
Consumables	46	18	46	18
	<u>18,716</u>	<u>17,170</u>	<u>18,397</u>	<u>17,097</u>

16. Trade and other receivables

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Trade receivables	23,788	23,394	23,392	23,275
Allowance for doubtful debts	(103)	(641)	(103)	(641)
	<u>23,685</u>	<u>22,753</u>	<u>23,289</u>	<u>22,634</u>
Other receivables	122	154	122	154
Deposits	133	1,137	133	1,137
Prepayments	30	64	30	64
	<u>23,970</u>	<u>24,108</u>	<u>23,574</u>	<u>23,989</u>

The currency exposure profile of trade receivables is as follows:

- Ringgit Malaysia	22,350	22,350
- US Dollar	652	652
- Australian Dollar	426	30
- Others	257	257
	<u>23,685</u>	<u>23,289</u>

Credit terms of trade receivables range from cash on delivery to 120 days.

17. Trade and other payables

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Trade payables	14,938	11,110	14,931	11,097
Trade accruals	5,250	2,918	5,203	2,905
	<u>20,188</u>	<u>14,028</u>	<u>20,134</u>	<u>14,002</u>

The currency exposure profile of trade payables is as follows:

- Ringgit Malaysia	14,157	14,157
- US Dollar	728	728
- Australian Dollar	7	-
- Others	46	46
	<u>14,938</u>	<u>14,931</u>

Credit terms of trade payables granted to the Group and Company vary from LC sight to 120 days.

18. Borrowings (interest-bearing)

	Group		Company	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
<u>Current</u>				
Bank overdrafts (unsecured)	-	1,091	-	1,091
Term loans (unsecured)	2,949	4,793	2,949	4,793
Term loans (secured)	1,498	-	1,498	-
Hire purchase liabilities (secured)	11	-	-	-
	4,458	4,793	4,447	4,793
	<u>4,458</u>	<u>5,884</u>	<u>4,447</u>	<u>5,884</u>
<u>Non current</u>				
Term loans (unsecured)	922	4,591	922	4,591
Term loans (secured)	6,902	-	1,902	-
Hire purchase liabilities (secured)	62	-	-	-
	7,886	4,591	2,824	4,591
	<u>12,344</u>	<u>10,475</u>	<u>7,271</u>	<u>10,475</u>
<u>Total</u>				
Bank overdrafts (unsecured)	-	1,091	-	1,091
Term loans (unsecured)	3,871	9,384	3,871	9,384
Term loans (secured)	8,400	-	3,400	-
Hire purchase liabilities (secured)	73	-	-	-
	<u>12,344</u>	<u>10,475</u>	<u>7,271</u>	<u>10,475</u>

The secured term loans are secured over certain plant and machinery of the Group and Company (Note 12) and a first fixed charge for up to RM5.0 million over the Group's land held for development. Hire purchase liabilities are effectively secured as the rights to the hire purchase asset revert to the hiree in the event of default.

Currency exposure profile

	Group	Company
	2002	2001
	RM'000	RM'000
- Ringgit Malaysia	12,271	7,271
- Australian Dollar	73	-
	<u>12,344</u>	<u>7,271</u>

Weighted average effective interest rates at balance sheet date

	Group <u>2002</u> %	Company <u>2001</u> %
Term loans	6.66	5.98
Hire purchase liabilities	7.46	-

Interest on term loans is chargeable at the rates ranging from 4.85% to 8.15% (2001: 4.85% to 8.55%) per annum during the financial year. The bank term loans are repayable by 36 monthly instalments according to the following periods:

	Group		Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000	<u>2002</u> RM'000	<u>2001</u> RM'000
Not later than 1 year	4,447	4,793	4,447	4,793
Later than 1 year and not later than 2 years	3,867	3,548	2,200	3,548
Later than 2 years and not later than 5 years	3,957	1,043	624	1,043
	<u>12,271</u>	<u>9,384</u>	<u>7,271</u>	<u>9,384</u>

Estimated fair values

The carrying amounts of current portion of term loans and hire purchase liabilities at balance sheet date approximated their fair values. The fair values of non current portion of other borrowings at balance sheet date were as follows:

	Group		Company	
	<u>2002</u> Carrying amount RM'000	Fair value RM'000	<u>2002</u> Carrying amount RM'000	Fair value RM'000
Term loans	7,824	7,824	2,824	2,824
Hire purchase liabilities	62	62	-	-

19. Deferred tax liabilities

	Group and Company	
	<u>2002</u> RM'000	<u>2001</u> RM'000
As at beginning of financial year	1,983	1,628
Charged to income statement (Note 9)	1,774	355
As at end of financial year	<u>3,757</u>	<u>1,983</u>

20. Share capital

Ordinary shares of RM1.00 each

	Group and Company	
	<u>2002</u>	<u>2001</u>
	RM'000	RM'000
Authorised:		
As at beginning of financial year	100,000	100,000
Created during the financial year	100,000	-
As at end of financial year	<u>200,000</u>	<u>100,000</u>
Issued and fully paid:		
As at beginning of financial year	55,603	55,558
Issued during the financial year		
- Pursuant to the Employees' Share Option Scheme	748	45
As at end of financial year	<u>56,351</u>	<u>55,603</u>

The Company implemented the Employees' Share Option Scheme ("the Scheme") as approved by the members at the Extraordinary General Meeting held on 24 July 1999. The Scheme will expire on 24 September 2004.

The principal features of the Scheme are as follows:

- The total number of new ordinary shares to be offered under the Scheme shall be subject to a maximum of 10% of the issued and paid-up share capital of the Company at any time during the existence of the Scheme;
- by employees and Executive Directors who have been confirmed in the employment of the Company and/or its subsidiaries and who have served the Group for at least one year as employees as at the date of the offer shall be eligible to participate in the Scheme;
- The price payable for each new ordinary share under the Scheme upon exercise of the option shall be the average of the mean market quotation of the ordinary shares of the Company as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five trading days preceding the date of the offer or the par value of the ordinary shares whichever is higher; and
- The new ordinary shares of the Company to be issued pursuant to the Scheme will, upon allotment and issue, rank pari passu in all respects with its then existing ordinary shares except that they will not qualify for any dividend or distribution declared to shareholders on the Register of Members and Record of Depositors as at the relevant books closing date which precedes the option exercise date.

A total of 748,200 options were exercised during the financial year at an issue price of RM1.06.

The movements during the financial year in the number of options over the shares of the Company were as follows:

	<u>2002</u> RM'000	<u>2001</u> RM'000
As at beginning of financial year	2,932	2,977
Exercised	(748)	(45)
As at end of financial year	<u>2,184</u>	<u>2,932</u>

As at 31 December 2002, the Company had 2,183,800 unissued ordinary shares under option at an exercise price of RM1.06.

The Company also issued warrants with a right to subscribe for ordinary shares. The warrants were detached from the 5% Guaranteed Bonds (issued on 24 January 1994 and repaid fully on 23 January 1999) on the basis of RM2.00 nominal value of the Bonds with one detachable warrant for every two existing ordinary shares held.

The warrants are quoted on the Kuala Lumpur Stock Exchange. Each warrant entitles its registered holder at any time not exceeding five years from the date of its issue, to subscribe for one new ordinary share of RM1.00 each in the Company at an exercise price of RM3.50 per warrant.

The duration and exercise period of the outstanding warrants were extended from 23 January 1999 to 23 January 2004.

As at 31 December 2002, the number of warrants remaining unexercised amounted to 17,406,038 at the price of RM1.94.

21. Retained earnings

As at 31 December 2002, subject to agreement with the tax authorities, there are sufficient Malaysian (Section 108) tax credits and tax exempt income to frank all the retained earnings of the Company if paid out as dividends and tax exempt dividends.

22. Prior year adjustment

During the financial year, the Group and the Company changed its accounting policy with respect to the recognition of dividends proposed or declared after the balance sheet date in compliance with the new MASB Standard 19 'Events After Balance Sheet Date'.

In previous financial years, dividends that were proposed or declared by the Directors after the balance sheet date (but before the financial statements were authorised for issue) were accrued as a liability in the balance sheet. The Group and the Company has now changed the policy to recognize as a liability only those dividends proposed or declared by the Board of Directors before the balance sheet date. Dividends when proposed or declared by the Board of Directors after the balance sheet date but before the financial statements are authorised for issue will be accounted for in the next financial period.

This change in accounting policy has been accounted for retrospectively.

The effects of the above change of accounting policy on the Group's and Company's financial statements are as follows:

	As previously <u>reported</u> RM'000	Effects of change in <u>policy</u> RM'000	As <u>restated</u> RM'000
Group			
As at 1 January 2001			
- retained earnings	25,395	1,600	26,995
As at 31 December 2001			
- retained earnings	32,078	1,668	33,746
- proposed dividend	<u>1,668</u>	<u>(1,668)</u>	<u>-</u>
Company			
As at 1 January 2001			
- retained earnings	25,474	1,600	27,074
As at 31 December 2001			
- retained earnings	32,172	1,668	33,840
- proposed dividend	<u>1,668</u>	<u>(1,668)</u>	<u>-</u>

23. Cash from operations

	Group		Company	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial year	7,517	8,351	7,553	8,366
Adjustments for:				
Property, plant and equipment				
- depreciation charge	7,447	6,951	7,433	6,951
- write off	66	9	66	9
- gain on disposals	(88)	(100)	(88)	(100)
Interest expense	557	659	548	659
Interest income	(243)	(177)	(242)	(177)
Share of associate's results	2	23	-	-
Minority interest	(11)	11	-	-
Tax charge	2,717	819	2,717	819
Allowance for doubtful debts net of recoveries	(210)	213	(210)	213
Changes in working capital:				
- Inventories	(1,546)	(2,448)	(1,300)	(2,375)
- Receivables	349	(1,397)	625	(1,440)
- Payables	6,159	(568)	6,132	(590)
Cash from operations	<u>22,716</u>	<u>12,346</u>	<u>23,234</u>	<u>12,335</u>

24. Purchase of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM7,935,000 of which RM73,000 was acquired by means of hire purchase and the balance thereof by cash payments of RM7,862,000.

25. Deposits, cash and bank balances/ Cash and cash equivalents

	<u>2002</u> RM'000	Group <u>2001</u> RM'000	<u>2002</u> RM'000	Company <u>2001</u> RM'000
Fixed deposits with licensed banks	7,200	4,097	7,200	4,097
Cash and bank balances	1,246	360	942	347
	<hr/>	<hr/>	<hr/>	<hr/>
Deposits, cash and bank balances	8,446	4,457	8,142	4,444
Bank overdrafts (note 18)	-	(1,091)	-	(1,091)
	<hr/>	<hr/>	<hr/>	<hr/>
Cash and cash equivalents	<u>8,446</u>	<u>3,366</u>	<u>8,142</u>	<u>3,353</u>

The currency exposure profile of fixed deposits, cash and bank balances is as follows:

	Group <u>2002</u> RM'000	Company <u>2002</u> RM'000
- Ringgit Malaysia	8,355	8,142
- Australian Dollar	91	-
	<hr/>	<hr/>
	<u>8,446</u>	<u>8,142</u>

The weighted average interest rates of fixed deposits, cash and bank balances at the balance sheet date were as follows:

	Group <u>2002</u> %	Company <u>2002</u> %
Fixed deposits with licensed banks	2.98	2.98
Bank balances	<u>1.00</u>	<u>1.00</u>

Fixed deposits of the Group and the Company have a maturity period of 2 days and 1 month.

Bank balances are deposits held at call with banks.

26. Segmental analysis

No segmental analysis is presented as the Group's primary business segment is the manufacturing and sale of multicoloured printed multilayered flexible packaging materials and the operations are principally carried out in Malaysia.

27. Capital commitments

	Group and Company	
	<u>2002</u>	<u>2001</u>
	RM'000	RM'000
Capital expenditure approved and contracted for in respect:		
- purchase of property	-	123
- purchase of plant and equipment	221	2,304
- purchase of motor vehicles	162	68
	<u>162</u>	<u>68</u>

28. Contingent liabilities (unsecured)

At 31 December 2002, the Company had a contingent liability in respect of a guarantee issued to a financial institution amounting to RM5.0 million for a banking facility extended to a subsidiary.

29. Significant post balance sheet events

- Subsequent to the financial year end, the issued and fully paid-up share capital of the Company increased from RM56,351,226 to RM75,134,968 by way of bonus issue of 18,783,742 new ordinary shares of RM1.00 each credited as fully paid-up capital on the basis of one new ordinary share for every three existing ordinary shares held of RM1.00 each.
- Consequential to the above bonus issue, 5,802,013 additional new warrants were issued and the exercise price of the warrants has been adjusted from RM1.94 to RM1.46.
- An additional 727,933 share options were granted under the Employees' Share Option Scheme ("the Scheme") to take up unissued shares of the Company pursuant to the bonus issue as mentioned in (a) above. The exercise price for the Scheme has also been adjusted from RM1.06 to RM1.00 per share.
- The Company will be transferred and listed on the Main Board of the Kuala Lumpur Stock Exchange on 28 March 2003.

30. Comparatives

Comparatives are not disclosed upon first application of MASB Standard 24 - Financial Instruments: Disclosure and Presentation, as permitted by the Standard.

STATEMENT OF SHAREHOLDINGS

Annual Report 2002

AND WARRANTHOLDINGS

as at 25 MARCH 2003

SHAREHOLDINGS

Class of shares : Ordinary shares of RM1.00 each fully paid
Voting rights : One vote per shareholder on a show of hands
One vote per share on a poll

ANALYSIS OF SHAREHOLDINGS

<u>Size of shareholdings</u>	<u>No. of shareholders</u>	<u>% of shareholders</u>	<u>No. of shares</u>	<u>%</u>
less than 1,000	145	3.54	91,734	0.12
1,000 - 10,000	3,140	76.58	11,483,985	15.28
10,001 - 100,000	753	18.37	15,932,312	21.21
100,001 to less than 5% of issued shares	62	1.51	47,626,937	63.39
Total	4,100	100.00	75,134,968	100.00

THIRTY LARGEST SHAREHOLDERS

<u>Name</u>	<u>No. of shares</u>	<u>%</u>
Datuk Wong Soon Lim	3,656,773	4.87
Yulina Binti Baharuddin	3,072,000	4.09
Datin Teh Kim Hong	2,969,181	3.95
Low Chan Tian	2,902,320	3.86
Low Chung Kuay	2,647,410	3.52
Low Chan Koon	2,541,431	3.38
Cimsec Nominees (Tempatan) Sdn Bhd - Ng Choh Choo	2,323,680	3.09
Chew Soon Heng	2,057,748	2.74
Thong & Kay Hian Nominees (Asing) Sdn Bhd - UOB Kay Hian Pte Ltd for YCH Holdings (Pte) Ltd	2,011,200	2.68
Lim Koy Peng	2,000,000	2.66
Chua Ah Nee	1,992,480	2.65
Yong Jaw Teck	1,769,573	2.36
Cimsec Nominees (Asing) Sdn Bhd - Low Kim Foong	1,666,560	2.22
Low Chan Tian	1,471,200	1.96
Liow Keng Eng	1,336,000	1.78
Datin Teh Kim Hong	1,188,000	1.58
Son Chen Chuan	993,600	1.32
Lim Keat Sear	698,400	0.93
Tan Lean Cheng	523,680	0.70
Mayban Nominees (Tempatan) Sdn Bhd - Low Chan Koon	517,133	0.69
HLB Nominees (Tempatan) Sdn Bhd - Datuk Wong Soon Lim	480,000	0.64
Low Chung Kuay	460,041	0.61
Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd - Datuk Wong Soon Lim	408,000	0.54
Leong & Company Sdn Bhd - Leong Yuen Leng	400,800	0.53
Brendan Low Kang Wei	400,000	0.53
Brian Low Chean Wei	400,000	0.53
Chua Tiang Kim	390,000	0.52
Low Keok Giap	355,200	0.47
Low Chan Min	320,000	0.43
Abu Mansor Bin Hassan	305,760	0.41
	42,258,170	56.24

SUBSTANTIAL SHAREHOLDERS

<u>Name</u>	<u>No. of shares</u>	<u>%</u>
Datuk Wong Soon Lim	4,763,440	6.34
Low Chan Tian	4,373,520	5.82
Datin Teh Kim Hong	4,157,181	5.53

DIRECTORS' SHAREHOLDINGS

<u>Name</u>	<u>No. of shares</u>	<u>%</u>	<u>No. of unexercised options</u>
Tan Sri Dato' Dr. Abdul Khalid Bin Sahan	-	-	-
Datuk Haji Tamby Chik Bin Haji Hassan	107,527	0.14	-
Datuk Wong Soon Lim	4,763,440	6.34	54,933
Low Chan Koon	3,080,164	4.10	-
Yong Jaw Teck	1,769,573	2.36	140,267
Low Chan Tian	4,373,520	5.82	-
Maj. Gen. (Rtd) Dato' Haji Johan Hew Bin Abdullah	-	-	-
P. James Edwin A/L Louis Pushparatnam	5,280	0.00	-

STATEMENT OF WARRANTS

Type of securities : Warrants
Voting rights : One vote per warrant holder on a show of hands
One vote per warrant on a poll

ANALYSIS OF WARRANT HOLDINGS

<u>Size of warrant holdings</u>	<u>No. of warrant holders</u>	<u>% of warrant holders</u>	<u>No. of warrants</u>	<u>%</u>
less than 1,000	61	3.09	31,305	0.13
1,000 - 10,000	1,459	73.80	5,642,139	24.31
10,001 - 100,000	432	21.85	10,274,762	44.27
100,001 to less than 5% of warrants	24	1.21	5,843,845	25.18
5% and above of warrants	1	0.05	1,416,000	6.11
Total	1,977	100.00	23,208,051	100.00

THIRTY LARGEST WARRANT HOLDERS

<u>Name</u>	<u>No. of warrants</u>	<u>%</u>
Low Chan Tian	1,416,000	6.10
Datin Teh Kim Hong	825,333	3.56
Chua Ah Nee	815,400	3.51
Chew Soon Heng	396,600	1.71
Low Chan Tian	384,000	1.65
Datin Teh Kim Hong	360,000	1.55
Mohammad Khalzuri Bin Mohd Yazid	322,667	1.39
Low Chan Koon	264,512	1.14
Punniya Moorthy a/l Ponnusamy	213,333	0.92
Jouta Enterprise Sdn Bhd	192,000	0.83
Yong Jaw Teck	189,133	0.81
EB Nominees (Tempatan) Sdn Bhd - Teoh Beng Tiang	176,000	0.76
Lim Poh Hock	174,267	0.75
Lim Koy Peng	168,000	0.72
Mayban Nominees (Tempatan) Sdn Bhd - Low Chan Koon	155,867	0.67
Mayban Nominees (Tempatan) Sdn Bhd - Neoh Khek Koun	153,000	0.66
AmFinance Bhd - Wong Ah Yong	144,000	0.62
Kwang Say Yoon	124,000	0.53
Liew Kwai Loy	123,733	0.53
Amanah Raya Bhd Tabung Amanah Perwira Dan Pertahanan Negara	120,000	0.52
Botly Nominees (Tempatan) Sdn Bhd - Heng Seu Seng	113,333	0.49
Tan Soo Khoon	111,000	0.48
Abu Mansor Bin Hassan	109,200	0.47
Wong Ah Mooi	107,467	0.46
RHB Capital Nominees (Tempatan) Sdn Bhd - Chu Pan Sang	101,000	0.44
AmFinance Bhd - Lim Choon Hiok	100,000	0.43
Goh John Tiong Hui	96,000	0.41
RHB Capital Nominees (Tempatan) Sdn Bhd - Chok Kwong Ming	94,400	0.41
Chan Lee Yuen	84,000	0.36
Low Chung Kuay	83,325	0.36
	<u>7,717,570</u>	<u>33.25</u>

DIRECTORS' WARRANT HOLDINGS

<u>Name</u>	<u>No. of warrants</u>	<u>%</u>
Tan Sri Dato' Dr. Abdul Khalid Bin Sahan	-	-
Datuk Haji Tamby Chik Bin Haji Hassan	307	0.00
Datuk Wong Soon Lim	51,267	0.22
Low Chan Koon	420,379	1.81
Yong Jaw Teck	189,133	0.81
Low Chan Tian	1,800,000	7.76
Maj. Gen. (Rtd) Dato' Haji Johan Hew Bin Abdullah	-	-
P. James Edwin A/L Louis Pushparatnam	3,600	0.00

LIST OF PROPERTIES

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<u>Location</u>	<u>Description</u>	<u>Age of buildings</u>	<u>Area</u>	<u>Tenure</u>	<u>Net book value as at 31 December 2002 RM'000</u>
Lot 3, Air Keroh Industrial Estate, Phase IV, 75450 Melaka	Factory buildings	1 building - 10 years 2 buildings - 7 years 1 building - 5 years 1 building - 3 years 1 building - 2 years	2.062 hectares	Leasehold expiring on 24/5/2091	8,383
Lot 7, Air Keroh Industrial Estate, Phase IV, 75450 Melaka	Factory buildings	2 buildings - 10 years 3 buildings - 9 years 1 building - 8 years 1 building - 7 years	2.692 hectares	Leasehold expiring on 24/5/2091	12,422
Lot 1016, Mukim of Bukit Baru, Melaka	Vacant land held for future development	-	2.034 hectares	Freehold	503
P.T. Lot 3413, H.S. (M) 22, Mukim 8, Daerah Seberang Perai Utara, Pulau Pinang	Double storey shop office	2 years	119 sq metres	Freehold	221
P.T. Lot 3414, H.S. (M) 23, Mukim 8, Daerah Seberang Perai Utara, Pulau Pinang	Double storey shop office	2 years	119 sq metres	Freehold	221
11/A2 Kondominium Siantan Puri, Kg Lapan, Melaka	1 unit 4 bedroom condominium	1 year	144 sq metres	Leasehold	190
GM 28 Lot 271, Mukim of Bertam, Melaka	Vacant land held for future development	-	2.056 acres	Freehold	967
ACT Holding No. 275, Mukim of Bertam, Melaka	Vacant land held for future development	-	20.8528 acres	Freehold	9,887

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FORM OF PROXY

Annual Report 2002



I/We.....
of.....
being a member of DAIBOCHI PLASTIC AND PACKAGING INDUSTRY BHD, hereby
appoint
of.....
or failing him, THE CHAIRMAN OF THE MEETING, as my/our proxy to vote for me/us and on my/our behalf
at the Thirtieth Annual General Meeting of the Company, to be held at Straits 3 at Level 7, The Golden
Legacy Hotel Melaka, Jalan Hang Tuah, 75300 Melaka on Friday , 16 May 2003 at 10.00 a.m. and at any
adjournment thereof.

ORDINARY BUSINESS	FOR	AGAINST
1. Adoption of Reports and Financial Statements		
2. Declaration of Dividend		
3. Approval of Directors' fees		
Re-election of Director -		
4. P. James Edwin A/L Louis Pushparatnam - Article 94		
Re-election of Director -		
5. Y. Bhg. Tan Sri Dato' Dr. Abdul Khalid Bin Sahan - Article 103		
Re-election of Director -		
6. Y. Bhg. Datuk Wong Soon Lim - Article 103		
Re-appointment of Director pursuant to		
Section 129 (6) of the Companies Act, 1965: -		
7. Y. Bhg. Datuk Haji Tamby Chik Bin Haji Hassan		
8. Re-appointment of PricewaterhouseCoopers as Auditors		
SPECIAL BUSINESS		
9. Authority for Directors to allot and issue shares pursuant to		
Section 132D of the Companies Act, 1965		

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

Dated this day of..... 2003

Number of Shares Held

.....
Signature/Common Seal of Shareholder(s)

NOTES: -

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing. If the appointer is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of its officer or attorney duly authorised.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company, Kompleks Daibochi Plastic, Lot 3 & 7 Air Keroh Industrial Estate, Phase IV, 75450 Melaka not less than forty-eight (48) hours before the time appointed for holding the meeting.



FOLD THIS FLAP FOR SEALING

Please Affix
30 sen Stamp
here

DAIBOCHI PLASTIC AND
PACKAGING INDUSTRY BHD.
Kompleks Daibochi Plastic
Lot 3 & 7, Air Keroh Industrial Estate, Phase IV,
75450 Melaka, West Malaysia.
P.O. Box 263, 75750 Melaka, West Malaysia.

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DAIBOCHI PLASTIC AND PACKAGING INDUSTRY BHD. (12994-W)

Kompleks Daibochi Plastic Lot 3&7, Air Keroh Industrial Estate, Phase IV 75450 Melaka, West Malaysia.
P.O. Box 263, 75750 Melaka, West Malaysia. Tel: 06-231 2746 Fax: 06-232 8988