

directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries and associated companies are described in Notes 4 and 5 to the financial statements respectively.

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

RESULTS

	Group RM'000	Company RM'000
Profit after taxation	110,679	35,124
Minority interests	(20,571)	-
Net profit for the year	90,108	35,124

There were no material transfers to or from reserves or provisions during the year other than as disclosed in the statements of changes in equity.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2001 were as follows:

	RM'000
In respect of the financial year ended 31 December, 2001 as reported in the directors' report of that year:	
Special interim dividend of 20% less taxation, paid on 26 March 2002	20,016
Ordinary final dividend of 10% less taxation, paid on 26 June 2002	10,008
	30,024
In respect of the financial year ended 31 December 2002:	
Ordinary first interim dividend of 6% less taxation, paid on 4 October 2002	10,008
	40,032

On 28 February 2003, the directors declared a second interim dividend in respect of the current financial year ended 31 December 2002, of 12% less 28% taxation on 231,666,667 ordinary shares, amounting to a total dividend of RM20,016,000 (8.64 sen net per share). The financial statements for the current financial year do not reflect this declared dividend. Such dividend will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2003.

DIRECTORS

The directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Mohd Ridzuan bin Abdul Halim
Dato' Abdul Rahim bin Abdul Halim
Tan Sri Dato' Abdul Aziz bin Abdul Rahman
Tan Sri Dato' Lee Lam Thye
Dr. Nawawi bin Mat Awin
Aqil bin Tan Sri Dato' Hj Ahmad Azizuddin
Low Hin Choong
Looi Kok Loon
Wong Wei Khin (*Appointed on 23 May 2002*)
Shamshir bin Ghazali (*Retired on 23 May 2002*)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than as may arise from the share options to be granted pursuant to the ESOS.

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 23 to the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with any 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

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			
	1.1.2002	Bought	Sold	31.12.2002
The Company				
Direct Interest				
Dato' Abdul Rahim bin Abdul Halim	575,697	383,798	-	959,495
Aqil bin Tan Sri Dato' Hj. Ahmad Azizuddin	10,000	206,666	-	216,666
Looi Kok Loon	40,000	97,243	-	137,243
Wong Wei Khin	211,595	642,838	28,000	826,433
Indirect Interest				
Dato' Abdul Rahim bin Abdul Halim	959,000	639,333	-	1,598,333
Aqil bin Tan Sri Dato' Hj. Ahmad Azizuddin	1,480,525	1,786,622	420,000	2,847,147
Low Hin Choong	534,952	521,979	208,000	848,931
Looi Kok Loon	1,336,952	1,353,088	200,000	2,490,040
Wong Wei Khin	521,842	1,866,285	776,696	1,611,431

	Number of Options for Ordinary Shares of RM1 Each			
	1.1.2002	Granted	Exercised	31.12.2002
Dato' Abdul Rahim bin Abdul Halim	-	500,000	-	500,000
Aqil bin Tan Sri Dato' Hj. Ahmad Azizuddin	-	400,000	-	400,000

	Number of Ordinary Shares of RM1 Each			
	1.1.2002	Bought	Sold	31.12.2002
Holding Company - Med-Bumikar Mara Sdn. Bhd.				
Direct Interest				
Dato' Abdul Rahim bin Abdul Halim	689,719	1,367,570	-	2,057,289
Wong Wei Khin	50,969	301,688	-	352,657
Indirect Interest				
Aqil bin Tan Sri Dato' Hj. Ahmad Azizuddin	689,719	1,805,202	-	2,494,921
Looi Kok Loon	689,719	1,805,202	-	2,494,921
Wong Wei Khin	639,023	1,376,621	-	2,015,644

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

ISSUES OF SHARES

During the financial year, the Company increased its:

- (a) authorised share capital from RM200 million to RM500 million through the creation of 300 million ordinary shares of RM1 each; and
- (b) issued and paid-up share capital from RM139,000,000 to RM231,666,667 by way of the issuance of 92,666,667 ordinary shares of RM1 each, through a bonus issue via capitalisation of share premium on the basis of two new ordinary shares for every three existing ordinary shares of RM1 each. The related transaction costs incurred amounted to RM164,093. The new ordinary shares rank pari passu in all respects with existing ordinary shares.

EMPLOYEE SHARE OPTION SCHEME

The MBM Resources Berhad Employee Share Option Scheme ("ESOS") is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 15 August 2002.

The main features of the ESOS are as follows:

- (a) The ESOS shall be in force for a period of ten years from the date of the receipt of the last of the requisite approvals.
- (b) Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one year before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the Options Committee appointed by the Board of Directors.
- (c) The total number of shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued share capital of the Company at any point in time during the tenure of the ESOS.
- (d) The option price for each share shall be based on the weighted average market price of the shares as shown in the daily official list issued by the KLSE for the 5 market days immediately preceding the date of offer subject to a discount of not more than 10%, or the par value of the shares of the Company of RM1, whichever is the higher.
- (e) No option shall be granted for less than 1,000 shares nor more than 23,166,667 shares to any eligible employee.
- (f) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of the offer but before the expiry of ten years from the date of the receipt of the last of the requisite approvals.
- (g) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

OTHER STATUTORY INFORMATION

- (a) Before balance sheets and income statements of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) the amount written off as bad debts or provided for as doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

OTHER STATUTORY INFORMATION (Cont'd)

(e) As at the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SUBSEQUENT EVENT

On 17 January 2003, a subsidiary entered into an agreement with Danaharta Managers Sdn. Bhd. to acquire a semi-detached factory erected on the land held at Title No. H.S. (MO 11888 & 11889 P.T. No. 7747 & 7748, Mukim Petaling, District of Petaling, for a cash consideration of RM2,300,000.

AUDITORS

Hanafiah Raslan & Mohamad retire and do not seek re-appointment. A resolution to appoint Ernst & Young will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Board in accordance with a resolution of the directors

DATO' ABDUL RAHIM BIN ABDUL HALIM

DATO' MOHD RIDZUAN BIN ABDUL HALIM

Kuala Lumpur
Date: 16 April 2003

statement by directors pursuant to section 169(15) of the Companies Act, 1965

We, DATO' ABDUL RAHIM BIN ABDUL HALIM and DATO' MOHD RIDZUAN BIN ABDUL HALIM, being two of the directors of MBM RESOURCES BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 26 to 49 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2002 and of their results and their cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors

DATO' ABDUL RAHIM BIN ABDUL HALIM

DATO' MOHD RIDZUAN BIN ABDUL HALIM

Kuala Lumpur
Date: 16 April 2003

statutory declaration pursuant to section 169(16) of the Companies Act, 1965

I, SHAMSHIR BIN GHAZALI, being the officer primarily responsible for the financial management of MBM RESOURCES BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 26 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.

Subscribed and solemnly declared by the)	
abovenamed SHAMSIR BIN GHAZALI)	
at Kuala Lumpur in Wilayah Persekutuan)	
on 16 April 2003)	SHAMSHIR BIN GHAZALI

Before me,

MOHD RADZI BIN YASIN (W327)
Commissioner for Oaths

report of the auditors to the members of MBM Resources Berhad

We have audited the financial statements set out on pages 26 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 Standards on Auditing 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 adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with 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 financial position of the Group and of the Company as at 31 December 2002 and of their results and their cash flows for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company 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.

Our auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

HANAFIAH RASLAN & MOHAMAD
AF: 0002
Chartered Accountants

ADRIAN TSEN KENG YAM
1314/05/04(J)
Partner

Kuala Lumpur, Malaysia
Date: 16 April 2003

balance sheets as at 31 December 2002

		Group		Company	
	Note	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	3	67,089	67,236	388	113
Subsidiaries	4	-	-	54,487	54,487
Associated companies	5	292,562	257,085	163,586	167,843
Other investment	6	4,000	-	4,000	-
Hire purchase receivables	7	32,356	26,890	-	-
		396,007	351,211	222,461	222,443
CURRENT ASSETS					
Inventories	8	73,737	37,898	-	-
Trade receivables	9	49,731	52,101	-	-
Other receivables	10	7,849	5,404	8	60
Due from an associated company	11	13	11	13	11
Due from subsidiaries	11	-	-	30,156	30,167
Marketable securities	12	20,000	-	20,000	-
Cash and bank balances	13	109,149	132,336	78,610	63,163
		260,479	227,750	128,787	93,401
CURRENT LIABILITIES					
Provision for warranties	14	889	1,987	-	-
Short term borrowings	15	22,090	14,032	-	-
Trade payables	16	18,079	21,940	-	-
Other payables	17	19,833	31,791	453	228
Due to holding company	11	368	117	368	117
Tax payable		1,531	13,438	-	-
		62,790	83,305	821	345
NET CURRENT ASSETS		197,689	144,445	127,966	93,056
		593,696	495,656	350,427	315,499
FINANCED BY:					
Share capital	18	231,667	139,000	231,667	139,000
Reserves		249,811	292,566	78,760	176,499
Shareholders' equity		481,478	431,566	310,427	315,499
Minority interests		63,578	54,910	-	-
Reserve on consolidation	19	8,640	9,180	-	-
		553,696	495,656	310,427	315,499
Long term borrowings	15	40,000	-	40,000	-
		593,696	495,656	350,427	315,499

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

income statements for the year ended 31 December 2002

		Group		Company	
	Note	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Revenue	20	697,848	612,572	57,290	97,185
Cost of sales	21	(595,748)	(550,547)	-	-
Gross profit		102,100	62,025	57,290	97,185
Other operating income		14,252	12,272	79	-
Administrative expenses		(14,787)	(13,516)	(1,354)	(807)
Selling and marketing expenses		(13,286)	(12,605)	-	-
Other operating expenses		(11,402)	(7,412)	(4,684)	(992)
Profit from operations	22	76,877	40,764	51,331	95,386
Finance income/(cost), net	24	26	(490)	155	260
Share of results of associated companies		78,343	89,869	-	-
Profit before taxation		155,246	130,143	51,486	95,646
Taxation	25	(44,567)	(30,343)	(16,362)	(23,616)
Profit after taxation		110,679	99,800	35,124	72,030
Minority interests		(20,571)	(12,324)	-	-
Net profit for the year		90,108	87,476	35,124	72,030
Earnings per share (sen)	26	38.9	37.8		
Net dividends per share (sen)	27	25.9	13.0		

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

consolidated statement of changes in equity for the year ended 31 December 2002

	Non-Distributable		Foreign Exchange Reserve	Distributable	
	Share Capital RM'000	Share Premium RM'000	RM'000	Retained Profits RM'000	Total RM'000
At 1 January 2001					
As previously stated	139,000	107,908	(193)	107,253	353,968
Prior year adjustment (Note 28)	-	-	-	8,006	8,006
At 1 January 2001 (restated)	139,000	107,908	(193)	115,259	361,974
Currency translation differences	-	-	130	-	130
Net profit for the year	-	-	-	87,476	87,476
Dividends (Note 27)	-	-	-	(18,014)	(18,014)
At 31 December 2001	139,000	107,908	(63)	184,721	431,566
At 1 January 2002					
As previously stated	139,000	107,908	(63)	154,697	401,542
Prior year adjustment (Note 28)	-	-	-	30,024	30,024
At 1 January 2002 (restated)	139,000	107,908	(63)	184,721	431,566
Currency translation differences	-	-	-	-	-
Issue of share capital (Note 18)	92,667	(92,667)	-	-	-
Expenses incurred for issuance of bonus shares	-	(164)	-	-	(164)
Net profit for the year	-	-	-	90,108	90,108
Dividends (Note 27)	-	-	-	(40,032)	(40,032)
At 31 December 2002	231,667	15,077	(63)	234,797	481,478

statement of changes in equity for the year ended 31 December 2002

	Non-Distributable		Distributable	
	Share Capital RM'000	Share Premium RM'000	Retained Profits RM'000	Total RM'000
At 1 January 2001				
As previously stated	139,000	107,908	6,569	253,477
Prior year adjustment (Note 28)	-	-	8,006	8,006
At 1 January 2001 (restated)	139,000	107,908	14,575	261,483
Net profit for the year	-	-	72,030	72,030
Dividends (Note 27)	-	-	(18,014)	(18,014)
At 31 December 2001	139,000	107,908	68,591	315,499
At 1 January 2002				
As previously stated	139,000	107,908	38,567	285,475
Prior year adjustment (Note 28)	-	-	30,024	30,024
At 1 January 2002 (restated)	139,000	107,908	68,591	315,499
Issuance of share capital (Note 18)	92,667	(92,667)	-	-
Expenses incurred for issuance of bonus shares	-	(164)	-	(164)
Net profit for the year	-	-	35,124	35,124
Dividends (Note 27)	-	-	(40,032)	(40,032)
At 31 December 2002	231,667	15,077	63,683	310,427

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

consolidated cash flow statement for the year ended 31 December 2002

	2002 RM'000	2001 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	155,246	130,143
Adjustments for:		
Share of results of associated companies	(78,343)	(89,869)
Amortisation of net reserve arising on consolidation	(540)	(540)
Amortisation of goodwill arising on acquisition of an associated company	591	580
Goodwill written off	4,257	-
Depreciation	2,381	1,987
Gain on disposal of property, plant and equipment	(122)	-
Inventories written off	270	864
Reversal of inventories written down	(2,112)	(4,713)
Provision for doubtful debts	732	794
Interest expense	1,252	1,842
Interest income	(2,375)	(1,440)
Unrealised foreign exchange (gain)/loss	(858)	1,793
Operating profit before working capital changes	80,379	41,441
Increase in receivables	(2,716)	(14,125)
(Increase)/decrease in inventories	(33,998)	5,459
Net changes in related companies balances	249	(336)
Decrease in payables	(29,023)	(23,781)
Cash generated from operations	14,891	8,658
Interest paid	(1,047)	(1,901)
Taxes (paid)/refunded	(38,028)	964
Net cash (used in)/generated from operating activities	(24,184)	7,721
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from an associated company	16,871	70,899
Interest received	2,375	1,410
Purchase of property, plant and equipment	(2,434)	(1,238)
Proceeds from disposal of property, plant and equipment	323	-
Acquisition of other investment and marketable securities	(24,000)	-
Net cash (used in)/generated from investing activities	(6,865)	71,071
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(40,032)	(18,014)
Expenses incurred for issuance of bonus shares	(164)	-
Net drawdown/(repayment) of term loans	30,000	(22,672)
Net drawdown of bankers' acceptance	10,963	4,032
Net cash generated from/(used in) financing activities	767	(36,654)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(30,282)	42,138
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	132,336	90,198
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (NOTE 13)	102,054	132,336

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

cash flow statement for the year ended 31 December 2002

	2002 RM'000	2001 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	51,486	95,646
Adjustments for:		
Depreciation	52	74
Gross dividends	(57,290)	(97,185)
Gain on disposal of property, plant and equipment	(80)	-
Impairment of investment	4,257	-
Interest expense	175	-
Interest income	(1,330)	(260)
Operating loss before working capital changes	(2,730)	(1,725)
Decrease/(increase) in receivables	53	(52)
Increase in payables	333	77
Net changes in related companies balances	(24)	(2,823)
Cash used in operations	(2,368)	(4,523)
Interest received	1,330	260
Taxes paid	(321)	(50)
Net cash used in operating activities	(1,359)	(4,313)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	41,249	79,906
Purchase of property, plant and equipment	(361)	(3)
Proceeds from disposal of property, plant and equipment	114	-
Acquisition of other investment and marketable securities	(24,000)	-
Net cash generated from investing activities	17,002	79,903
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(40,032)	(18,014)
Expense incurred for issuance of bonus shares	(164)	-
Drawdown of term loan	40,000	-
Net cash used in financing activities	(196)	(18,014)
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,447	57,576
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	63,163	5,587
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (NOTE 13)	78,610	63,163

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

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiaries and associated companies are described in Notes 4 and 5 respectively. There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of the Kuala Lumpur Stock Exchange. The principal place of business of the Company is located at 50-04-05, Wisma UOA Damansara, 50 Jalan Dungun, Damansara Heights, 50490 Kuala Lumpur.

The holding and ultimate holding company of the Company is Med-Bumikar Mara Sdn. Bhd. which is incorporated in Malaysia.

The number of employees in the Group and the Company at the end of the financial year were 566 (2001 : 524) and 12 (2001 : 12) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 16 April 2003.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and the Company have been prepared under the historical cost convention and comply with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia.

(b) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed off during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve (negative goodwill) arising on consolidation.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

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

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

(ii) Associated Companies

Associated companies are those companies in which the Group has a long term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associated companies. Under the equity method of accounting, the Group's share of profits less losses of associated companies during the year is included in the consolidated income statement. The Group's interest in associated companies is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as goodwill on acquisition.

Unrealised gains on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are eliminated unless cost cannot be recovered.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(l). Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet while goodwill arising on the acquisition of associates and jointly controlled entities is included within the carrying amount of investment in associates and investment in jointly controlled entities respectively. Goodwill is amortised on a straight-line basis over the estimated time frame that the Group will benefit from it and not more than 25 years.

(d) Investments in Subsidiaries and Associated Companies

The Company's investments in subsidiaries and associated companies are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(l).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is charged or credited to the income statement.

(e) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(l).

Freehold land and construction-in-progress are not depreciated. Long term and short term leasehold land is depreciated over the period of the lease which ranges from 44 years to 99 years. Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Buildings	2%
Renovations and leasehold improvements	10% - 20%
Plant and machinery	10% - 33 1/3%
Furniture, fixtures, fittings and office equipment	8% - 20%
Motor vehicles	10% - 20%

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement and the attributable portion of the revaluation surplus is taken directly to retained profits.

(f) Inventories

Inventories are stated at the lower of cost (determined on the first-in, first-out basis) and net realisable value. Cost includes cost of purchase, direct labour, other direct costs and appropriate production overheads. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(g) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at banks and deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(h) Deferred Tax

The tax expense for the year is based on the profit for the year, as adjusted for tax purposes, together with a charge or credit for deferred taxation.

Deferred taxation is provided for by the liability method for all timing differences except when there is reasonable evidence that these timing differences will not reverse in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

(i) Provision for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(j) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Dividend income

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

(ii) Sales of goods

Revenue relating to sale of goods is recognised net of sales taxes and discounts upon the transfer of risks and rewards.

(iii) Interest income

Interest income on hire purchase transactions are recognised on the sum of digits method.

Interest income is recognised on an accrual basis. When an account becomes non-performing, interest is suspended until it is realised on a cash basis. Hire purchase accounts are deemed to be non-performing when repayments are in arrears for more than six months.

(k) Foreign Currencies

(i) Foreign currency transactions

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates, except for transactions hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date, except for transactions hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Non-monetary items which are carried at historical cost are translated using the historical rate as of the date of acquisition and non monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined. All exchange differences are taken to the income statement.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward foreign exchange contracts.

(ii) Foreign entities

Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are included in the foreign exchange reserve in shareholders' equity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Company and translated at the exchange rate ruling at the date of the transaction.

The closing exchange rates ruling at balance sheet date used for translation of non-contracted foreign currency monetary assets and liabilities (denominated in units of Ringgit Malaysia per foreign currency) are as follows:

	2002	2001
New Zealand Dollar	2.00	1.57
Japanese Yen (per 100 units)	3.20	2.90
United States Dollar	3.80	3.80

(l) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets, other than inventories, deferred tax assets and financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is charged to the income statement immediately. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Financial Instruments

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

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Under its treasury policy, the Group uses forward foreign exchange contracts to hedge its exposure to foreign exchange arising from operational activities. The Group does not hold or issue derivative financial instruments for trading purposes.

(i) Other Non-Current Investments

Non-current investments other than investments in subsidiaries and associated companies are stated at cost less provision for any diminution in value. Such provision is made when there is a decline in the value of investments and is recognised as an expense in the period in which the decline occurred.

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

(ii) Trade Receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(iii) Trade Payables

Trade payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iv) Interest-Bearing Borrowings

Interest-bearing bank loan and overdrafts are recorded at the amount of proceeds received, net of transaction costs. All borrowing costs are charged to the income statement as an expense in the period in which they are incurred.

(v) Equity Instruments

Ordinary shares are classified as equity. The transaction costs of an equity transaction, other than in the context of a business combination, are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

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

3. PROPERTY, PLANT AND EQUIPMENT

	*Land and buildings RM'000	Plant and machinery RM'000	Renovation, leasehold improvements, furniture, fixtures, fittings, office equipment and motor vehicles RM'000	Construction- in-progress RM'000	Total RM'000
Group					
Cost					
At 1 January 2002	60,254	5,075	11,248	11,804	88,381
Additions	270	249	1,916	-	2,435
Reclassification	11,804	-	-	(11,804)	-
Disposals	-	-	(1,096)	-	(1,096)
At 31 December 2002	72,328	5,324	12,068	-	89,720
Accumulated Depreciation					
At 1 January 2002	6,839	4,897	9,409	-	21,145
Charge for the year	1,109	276	996	-	2,381
Disposals	-	-	(895)	-	(895)
At 31 December 2002	7,948	5,173	9,510	-	22,631
Net Book Value					
At 31 December 2002	64,380	151	2,558	-	67,089
At 31 December 2001	53,415	178	1,839	11,804	67,236
Depreciation Charge for 2001	867	225	894	-	1,987
* Land and Buildings					
	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Total RM'000
Group					
Cost					
At 1 January 2002	7,040	12,909	2,580	37,725	60,254
Additions	-	-	-	270	270
Reclassification	-	-	-	11,804	11,804
At 31 December 2002	7,040	12,909	2,580	49,799	72,328
Accumulated Depreciation					
At 1 January 2002	-	1,288	756	4,795	6,839
Charge for the year	-	130	59	920	1,109
At 31 December 2002	-	1,418	815	5,715	7,948
Net Book Value					
At 31 December 2002	7,040	11,491	1,765	44,084	64,380
At 31 December 2001	7,040	11,621	1,824	32,930	53,415
Depreciation Charge for 2001	-	133	61	673	867

3. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Company					
Cost					
At 1 January 2002	35	85	346	64	530
Additions	6	-	355	-	361
Disposals	-	-	(346)	-	(346)
At 31 December 2002	41	85	355	64	545
Accumulated Depreciation					
At 1 January 2002	28	47	312	30	417
Charge for the year	6	10	30	6	52
Disposals	-	-	(312)	-	(312)
At 31 December 2002	34	57	30	36	157
Net Book Value					
At 31 December 2002	7	28	325	28	388
At 31 December 2001	7	38	34	34	113
Depreciation Charge for 2001	7	10	50	6	74

Included in the cost of property, plant and equipment are fully depreciated assets which are still in use as follows:

	Group	
	2002 RM'000	2001 RM'000
Plant and machinery	4,547	4,491
Renovation, leasehold improvements, furniture, fixtures, fittings, office equipment and motor vehicles	7,130	7,704

4. SUBSIDIARIES

	Company	
	2002 RM'000	2001 RM'000
Unquoted shares, at cost	54,487	54,487

4. SUBSIDIARIES (Cont'd)

Details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Effective Interests Held (%)		Principal Activities
		2002	2001	
Daihatsu (Malaysia) Sdn. Bhd.	Malaysia	71.5	71.5	Trading of motor vehicles, spare parts and provision of related motor repair services
DMM Engineering Sdn. Bhd.	Malaysia	71.5	71.5	Repair and touching-up, construction of vehicles body parts for sale, providing handling services to its holding company and distribution of spare parts and trucks
DMM Sales Sdn. Bhd.	Malaysia	71.5	71.5	Marketing and distribution of motor vehicles, related spare parts and other related activities
DMM Credit Sdn. Bhd.	Malaysia	71.5	71.5	Provision of hire purchase facilities
DMM Assembly Services Sdn. Bhd.	Malaysia	71.5	71.5	Dormant
Auto Style Enterprise Limited	British Virgin Islands	100	100	Investment holding
Sun Motor Limited	British Virgin Islands	100	100	Investment holding

5. ASSOCIATED COMPANIES

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At cost:				
Unquoted shares in Malaysia	174,843	174,843	167,843	167,843
Quoted shares outside Malaysia	30,968	30,968	-	-
Group's share of post acquisition profits	63,336	23,012	-	-
Group's share of profits of a company prior to becoming an associated company	30,319	30,319	-	-
Group's share of foreign exchange fluctuation reserve	(495)	(495)	-	-
	298,971	258,647	167,843	167,843
Less: Goodwill amortised	(2,152)	(1,562)	-	-
Goodwill written off	(4,257)	-	-	-
Impairment of investment	-	-	(4,257)	-
	292,562	257,085	163,586	167,843
At market value:				
Quoted shares outside Malaysia	44,130	28,941	-	-
Represented by:				
Share of net tangible assets	284,359	244,035		
Goodwill on acquisition	14,612	14,612		
	298,971	258,647		
Goodwill amortised	(2,152)	(1,562)		
Goodwill written off	(4,257)	-		
	292,562	257,085		

The impairment of investment is estimated based on the expected realisable amount should the investment be disposed.

5. ASSOCIATED COMPANIES (Cont'd)

Name of Company	Country of Incorporation	Year End	Effective Interests Held (%)		Principal Activities
			2002	2001	
MBM Industries Sdn. Bhd.	Malaysia	31 December	39.9	39.9	Investment holding
Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	Malaysia	31 December	23.6	23.6	Manufacture and assembly of motor vehicles
The Colonial Motor Company Limited	New Zealand	30 June	24.9	24.9	Property investment, motor vehicles retailing and related activities

6. OTHER INVESTMENTS

	Group and Company	
	2002	2001
	RM'000	RM'000
Unquoted bond, at cost	4,000	-

The unquoted bonds has a tenor of five years from 2002 to 2007 and have no fixed coupon rate.

7. HIRE PURCHASE RECEIVABLES

	Group	
	2002	2001
	RM'000	RM'000
Future minimum hire purchase receipts:		
Not later than 1 year	13,840	16,881
Later than 1 year and not later than 2 years	11,529	9,290
Later than 2 years and not later than 5 years	18,249	14,019
Later than 5 years	12,582	9,589
	56,200	49,779
Less: Future finance charges	(11,733)	(10,373)
Less: Provision for doubtful debts	(2,537)	(2,868)
	41,930	36,538
Analysed as:		
Due within 12 months (Note 9)	9,574	9,648
Due after 12 months	32,356	26,890
	41,930	36,538

During the financial year, the Group has written off hire purchase receivables amounting to RM981,823 (2001 : Nil) against provision for doubtful debts.

The weighted average effective interest rate during the financial year was 10.3% (2001 : 11.1%).

8. INVENTORIES

	Group	
	2002 RM'000	2001 RM'000
At cost:		
Completed and unassembled vehicles	71,838	36,719
Parts and consumables	1,899	1,066
	73,737	37,785
At net realisable value:		
Completed vehicles	-	113
	73,737	37,898

During the financial year, the Group reversed RM2,111,680 (2001 : RM4,712,713), being part of inventories written down in previous years that was not required.

9. TRADE RECEIVABLES

	Group	
	2002 RM'000	2001 RM'000
Trade receivables	40,593	42,889
Hire purchase receivables due within 12 months (Note 7)	9,574	9,648
	50,167	52,537
Less: Provision for doubtful debts	(436)	(436)
	49,731	52,101

In the previous financial year, the Group had written off trade debts amounting to RM57,188 against provision for doubtful debts.

The Group's normal trade credit term ranges from 14 to 120 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

10. OTHER RECEIVABLES

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Deposits	904	1,238	-	-
Prepayments	2,657	936	-	-
Sundry receivables	6,093	5,035	8	60
Less: Provision for doubtful debts	(1,805)	(1,805)	-	-
	7,849	5,404	8	60

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

11. DUE FROM AN ASSOCIATED COMPANY AND SUBSIDIARIES/DUE TO HOLDING COMPANY

The amounts due from an associated company and subsidiaries/due to holding company are unsecured, interest-free and have no fixed terms of repayment.

12. MARKETABLE SECURITIES

	Group and Company	
	2002	2001
	RM'000	RM'000
Unit trust, at cost	20,000	-
Market value of unit trust	20,679	-

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	27,820	57,860	10,366	363
Bankers' acceptance	63,244	57,800	63,244	57,800
Deposits with licensed banks	18,085	16,676	5,000	5,000
Cash and bank balances	109,149	132,336	78,610	63,163
Less: Bank overdrafts (Note 15)	(7,095)	-	-	-
Cash and cash equivalents	102,054	132,336	78,610	63,163

Deposits with licensed banks of the Group amounting to RM5,585,043 (2001 : RM2,175,619) are pledged to banks for credit facilities granted to certain subsidiaries.

The weighted average interest rates during the financial year and the average maturities of deposits and bankers' acceptance as at 31 December 2002 were as follows:

	Weighted Average Interest Rate %	Average Maturities Days
Deposits with licensed banks	2.65	30
Bankers' acceptance	2.60	30

14. PROVISION FOR WARRANTIES

	Group RM'000
At 1 January 2002	1,987
Unused amount reversed during the year	(1,097)
At 31 December 2002	889

Provision for warranties is made for the estimated liability on all products under warranty in addition to claims already received. The provision is based on experienced levels of claims arising during the period of warranty.

15. BORROWINGS

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Short Term Borrowings				
Secured:				
Term loan due within 12 months	-	10,000	-	-
Unsecured:				
Bank overdrafts (Note 13)	7,095	-	-	-
Bankers' acceptance	14,995	4,032	-	-
	22,090	4,032	-	-
	22,090	14,032	-	-
Long Term Borrowings				
Unsecured:				
Term loan	40,000	-	40,000	-
Total Borrowings				
Bank overdrafts	7,095	-	-	-
Bankers' acceptance	14,995	4,032	-	-
Term loan	40,000	10,000	40,000	-
	62,090	14,032	40,000	-
Maturity of borrowings:				
Within one year	22,090	14,032	-	-
More than 2 years and less than 5 years	40,000	-	40,000	-
	62,090	14,032	40,000	-
The weighted average interest rates during the financial year for borrowings were as follows:				
	Group		Company	
	2002 %	2001 %	2002 %	2001 %
Bank overdrafts	6.5	-	-	-
Bankers' acceptance	3.3	3.3	-	-
Term loan	5.0	9.0	5.0	-

The term loan in the previous year was secured by a letter of credit issued by a licensed financial institution.

16. TRADE PAYABLES

Included in trade payables of the Group is an amount of RM1,395,276 (2001 : RM2,816,607) due to Perodua, an associated company.

The normal trade credit term granted to the Group ranges from 2 to 90 days.

17. OTHER PAYABLES

	Group		Company	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
Sales tax and import duties payable	1,633	11,885	-	-
Deposits received from customers	1,339	1,304	-	-
Accruals for dealers and salesmen incentives	2,122	3,005	-	-
Amount due for insurance premium on vehicles sold	1,790	2,351	-	-
Sundry payables	206	1,094	10	19
Accruals	12,743	12,152	443	209
	19,833	31,791	453	228

18. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2002	2001	2002	2001
	'000	'000	RM'000	RM'000
Authorised:				
At 1 January	200,000	200,000	200,000	200,000
Created during the year	300,000	-	300,000	-
At 31 December	500,000	200,000	500,000	200,000
Issued and fully paid:				
At 1 January	139,000	139,000	139,000	139,000
Issued during the year	92,667	-	92,667	-
At 31 December	231,667	139,000	231,667	139,000

- (a) During the financial year, the Company increased its issued and paid-up share capital from RM139,000,000 to RM231,666,667 by way of the issuance of 92,666,667 ordinary shares of RM1 each through a bonus issue via capitalisation of share premium on the basis of two new ordinary shares for every three existing ordinary shares of RM1 each. The new ordinary shares rank pari passu in all respects with existing ordinary shares.
- (b) The Company implemented an Employee Share Option Scheme ("ESOS") which is governed by the by-laws and was approved by the shareholders at an Extraordinary General Meeting held on 15 August 2002.

The main features of the ESOS are as follows:

- The ESOS shall be in force for a period of ten years from the date of the receipt of the last of the requisite approvals.
- Eligible persons are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one year before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the Option Committee appointed by the Board of Directors.
- The total number of shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued and paid-up share capital of the Company at any point in time during the tenure of the ESOS.
- The option price for each share shall be based on the weighted average market price of the shares as shown in the daily official list issued by the KLSE for the 5 market days immediately preceding the date of offer subject to a discount of not more than 10%, or the par value of the shares of the Company of RM1, whichever is the higher.
- No option shall be granted for less than 1,000 shares nor more than 23,166,667 shares to any eligible employee.
- An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of the offer but before the expiry of ten years from the date of the receipt of the last of the requisite approvals.
- The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

19. RESERVE ON CONSOLIDATION

	Group	
	2002 RM'000	2001 RM'000
Reserve arising on consolidation	13,515	13,515
Goodwill arising on consolidation	(13)	(13)
	13,502	13,502
Less: Accumulated amortisation	(4,862)	(4,322)
At 31 December	8,640	9,180

20. REVENUE

Revenue of the Group and the Company consist of the following:

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Gross dividends from:				
- subsidiaries	-	-	41,470	25,025
- associated companies	-	-	15,820	72,160
Sale of goods and services net of sales tax and discounts	693,728	608,432	-	-
Interest income from hire purchase arrangements	4,120	4,140	-	-
	697,848	612,572	57,290	97,185

21. COST OF SALES

Cost of sales of the Group consist of the following:

	Group	
	2002 RM'000	2001 RM'000
Cost of sales for goods and services	595,472	550,155
Cost of sales for hire purchase arrangements	276	392
	595,748	550,547

22. PROFIT FROM OPERATIONS

Profit from operations is stated after charging/(crediting):

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Auditors' remuneration	93	93	14	14
Depreciation	2,381	1,987	52	74
Staff costs	11,429	10,274	909	329
Directors' remuneration (Note 23)	1,140	1,678	566	1,105
Inventories written off	270	864	-	-
Unrealised foreign exchange (gain)/loss	(858)	1,793	-	-
Amortisation of goodwill arising on acquisition of an associated company	591	580	-	-
Goodwill written off	4,257	-	-	-
Impairment of investment	-	-	4,257	-
Provision for doubtful debts	732	794	-	-
Rental expense	172	-	-	-
Gain on disposal of property, plant and equipment	(122)	-	(80)	-
Bad debts recovered	(382)	(490)	-	-
Reversal of inventories written down	(2,112)	(4,713)	-	-
Amortisation of net reserve arising on consolidation	(540)	(540)	-	-
Rental income	(1,000)	(723)	-	-

23. DIRECTORS' REMUNERATION

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	380	500	248	362
Fees	107	142	27	42
Bonus	175	96	114	64
	662	738	389	468
Non-Executive:				
Fees	197	197	177	177
Ex-gratia payment to former directors	-	460	-	460
	197	657	177	637
Directors of a subsidiary				
Executive:				
Salaries and other emoluments	90	108	-	-
Fees	50	50	-	-
Bonus	41	45	-	-
	181	203	-	-
Non-Executive:				
Fees	100	80	-	-
Total	1,140	1,678	566	1,105

The number of directors of the Company whose total remuneration during the year fall within the following bands is as follows:

	Number of Directors	
	2002	2001
Executive directors:		
RM150,001 - RM200,000	-	1
RM200,001 - RM250,000	1	1
RM250,001 - RM300,000	-	1
RM350,001 - RM400,000	1	-
Non-Executive directors:		
Below RM50,000	6	6
RM50,001 - RM100,000	1	1

24. FINANCE INCOME/(COST), NET

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Interest expenses	(1,252)	(1,842)	(175)	-
Interest income	2,375	1,440	1,330	260

25. TAXATION

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Current year's provision	23,420	12,060	16,362	23,616
Share of taxation of associated companies	21,147	18,283	-	-
	44,567	30,343	16,362	23,616

The effective rates of taxation of the Group and the Company are higher than the statutory rate of taxation principally due to certain expenses which were are not deductible for taxation purposes.

As at 31 December 2002, the Company has tax exempt income available for distribution of approximately RM26,142,000 (2000 : RM26,142,000), subject to agreement with the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax exempt account to frank the payment of dividends out of its entire retained profits as at 31 December 2002.

26. EARNINGS PER SHARE

(a) Basic

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

	Group	
	2002 RM'000	2001 RM'000
Net profit for the year (RM)	90,108	87,476
Weighted average number of ordinary shares in issue	231,667	231,667
Basic earnings per share (sen)	38.9	37.8

Comparative basic earnings per share has been restated to take into account the bonus issue during the year.

27. DIVIDENDS

	Amount		Net Dividends per Share	
	2002 RM'000	2001 RM'000	2002 Sen	2001 Sen
Ordinary final dividend of 10% (2001: 8%) less taxation	10,008	8,006	7.2	5.8
Special interim dividend of 20% less taxation	20,016	-	14.4	-
Ordinary first interim dividend of 6% (2001: 10%) less taxation	10,008	10,008	4.3	7.2
	40,032	18,014	25.9	13.0

On 28 February 2003, the directors declared a second interim dividend in respect of the current financial year ended 31 December 2002 of 12% less 28% taxation on 231,666,667 ordinary shares, amounting to a total dividend of RM20,016,000 (8.64 sen net per share). The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2003.

28. PRIOR YEAR ADJUSTMENT

During the year, the Group changed its accounting policy with respect to the recognition of proposed dividend in compliance with the new MASB Standard 19 "Events After the Balance Sheet Date". In previous years, dividends were accrued as a liability when proposed by directors. The Group has now changed this accounting policy to recognise dividends in shareholder's equity in the period in which the obligation to pay is established in accordance with MASB Standard 19.

28. PRIOR YEAR ADJUSTMENT (Cont'd)

This change in accounting policy has been accounted for retrospectively. The effects of this change on the Group's and Company's financial statements are as follows:

	As Previously Stated RM'000	Effect of Change In Policy RM'000	As Restated RM'000
Group			
At 1 January 2001			
- retained profits	107,253	8,006	115,259
At 1 January 2002			
- retained profits	154,697	30,024	184,721
- dividend payable	30,024	(30,024)	-
Company			
At 1 January 2001			
- retained profits	6,569	8,006	14,575
At 1 January 2002			
- retained profits	38,567	30,024	68,591
- dividend payable	30,024	(30,024)	-

29. CAPITAL COMMITMENTS

	Group	
	2002 RM'000	2001 RM'000
Approved and contracted for	2,300	-
Approved but not contracted for	2,400	-
	4,700	-

30. SIGNIFICANT RELATED PARTY TRANSACTIONS

	2002 RM'000	2001 RM'000
Group		
Purchases from Daihatsu Motor Co. Ltd. and/or its subsidiaries and associated companies*	49,887	101,771
Purchases from Perodua, an associated company and/or its subsidiaries	380,701	363,797
Company		
Gross dividends from:		
- subsidiaries	41,470	25,025
- associated companies	15,820	72,160

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

* Includes all subsidiaries and associated companies of Daihatsu Motor Co. Ltd. other than the subsidiaries of MBM Resources Berhad.

31. SUBSEQUENT EVENT

On 17 January 2003, a subsidiary entered into an agreement with Danaharta Managers Sdn. Bhd. to acquire a semi-detached factory erected on the land held at Title No. H.S. (M) 11888 & 11889 P.T. No. 7747 & 7748, Mukim Petaling, District of Petaling, for a cash consideration of RM2,300,000.

32. SEGMENT INFORMATION

(a) Business Segments:

The Group is organised on a worldwide basis into two major business segments:

- (i) Investment holding
- (ii) Distribution of motor vehicles and related activities

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

	Investment holding		Distribution of motor vehicles and other related activities		Eliminations		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE AND EXPENSES								
Revenue								
External sales	-	-	697,848	612,572	-	-	697,848	612,572
Inter-segment sales	59,923	98,710	-	-	(59,923)	(98,710)	-	-
Total revenue	59,923	98,710	697,848	612,572	(59,923)	(98,710)	697,848	612,572
Result								
Profit from operations	54,568	95,087	86,187	62,377	(63,878)	(116,700)	76,877	40,764
Finance income/(cost), net	339	238	(313)	(728)			26	(490)
Share of results of associated companies	318	41	78,025	89,828			78,343	89,869
Taxation	(410)	(38)	(44,157)	(30,305)			(44,567)	(30,343)
Profit after taxation							110,679	99,800
Minority interests							(20,571)	(12,324)
Net profit for the year							90,108	87,476
ASSETS AND LIABILITIES								
Segment assets	108,635	65,352	255,289	256,525			363,924	321,877
Investment in equity method of associated companies	8,706	12,939	283,856	244,148			292,562	257,087
Consolidated total assets							656,486	578,964
Segment liabilities	40,836	362	61,953	82,944			102,789	83,306
OTHER INFORMATION								
Capital expenditure	361	3	2,074	1,236			2,435	1,239
Depreciation	52	74	2,329	1,913			2,381	1,987
Amortisation	51	40	-	-			51	40
Non-cash expenses other than depreciation and amortisation	3,399	1,793	1,232	3,055			4,631	4,848

32. SEGMENT INFORMATION (Cont'd)

(b) Geographical Segments

The Group's two major business segments are operated in two principal geographical areas of the world. In Malaysia, its home country, the Group's areas of operation are principally investment holding and distribution of motor vehicles and its related activities.

The Group also operates in New Zealand.

	Malaysia		New Zealand		Consolidated	
	2002	2001	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total revenue from external customers	697,848	612,572	-	-	697,848	612,572
Result						
Profit/(loss) from operations	76,059	42,590	818	(1,826)	76,877	40,764
Finance (cost)/income, net	(158)	(468)	184	(22)	26	(490)
Share of results of associated companies	72,527	86,105	5,816	3,764	78,343	89,869
Taxation	(42,398)	(29,101)	(2,169)	(1,242)	(44,567)	(30,343)
Profit after taxation					110,680	99,800
Minority interests					(20,571)	(12,324)
Net profit for the year					90,108	87,476
Segment assets	363,924	321,877	-	-	363,924	321,877
Capital expenditure	2,435	1,239	-	-	2,435	1,239

33. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

Comparatives are not disclosed for certain information relating to financial instruments as permitted by MASB 24 - Financial Instruments: Disclosure and Presentation upon first application.

34. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is to not engage in speculative transactions.

(b) Interest Rate Risk

The Group's primary interest rate risk relates to interest bearing debt, as the Group had no substantial long-term interest-bearing assets as at 31 December 2002. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits which yield better returns than cash at bank.

The information on maturity dates and effective interest rates of the financial assets and liabilities are disclosed in their respective notes.

(c) Foreign Exchange Risk

The Group operates internationally and is exposed to mainly Japanese Yen and New Zealand Dollars. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases give rise to foreign exchange exposures.

Foreign exchange exposures in transactional currencies are kept to an acceptable level. Material transaction foreign exchange exposures are hedged with forward foreign exchange contracts.

(d) Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

(e) Credit Risk

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(f) Fair Values

The carrying value of financial assets and financial liabilities approximate their fair values due to their relatively short term maturity except for:

The carrying value of financial assets and financial liabilities approximate their fair values due to their relatively short term maturity except for:

(i) Related Companies Balances

It is not practical to estimate the fair values of related companies balances due principally to a lack of fixed repayment terms entered by the parties involved and without incurring excessive costs. However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

(ii) Investment in Unquoted Bonds

It is also not practical to estimate the fair values of the Group's non-current unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. However, the Group believes that the carrying amount represents the recoverable values.

(iii) Unit trust/Long Term Borrowing

	Group and Company Carrying Amount RM'000	Fair Value RM'000
Unit trust	20,000	20,679
Long term borrowing	40,000	31,210

The fair value of the unit trust is determined by reference to the buying and selling price quoted by fund managers on the balance sheet date.

The fair value of the long term borrowing is estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending and borrowing arrangements.

list of properties

Location	Land area (built-up area) sq metre	Description of property and existing use	Approx. age of building	Tenure	Book value as at 31.12.02 (RM '000)
Proprietor: Daihatsu (Malaysia) Sdn Bhd					
Lot 2B, Jalan Keluli Section 15, 40000 Shah Alam Selangor Darul Ehsan	9,821	Industrial land used as vehicle storage yard	-	Leasehold (expiring on 26.1.2087)	1,097
Lot 1, Lorong 51A/227C 46100 Petaling Jaya Selangor Darul Ehsan	1,677 (674)	Industrial land building used as workshop	11	Leasehold (expiring on 13.3.2074)	1,419
B-317, Blue Lagoon Port Dickson Negeri Sembilan Darul Khusus	(78)	2-bedroom condominium used for leisure and recreation	10	Freehold	144
Lot 1, Jalan Keluli Section 15, 40000 Shah Alam Selangor Darul Ehsan	11,294 (4,860)	Industrial land with building used as showroom, workshop and office	14	Leasehold (expiring on 12.1.2086)	6,752
Lot 2A, Jalan Keluli Section 15, 40000 Shah Alam Selangor Darul Ehsan	14,928 (4,608)	Industrial land with building used as body building, workshop and store	10	Leasehold (expiring on 26.1.2087)	5,045
Lot 68-G, 68-1, Lot 69-G, 69-1 Selayang Baru Selangor Darul Ehsan	(944)	2 units of Ground & 1st Floor of shop office building	-	Leasehold	1,185
Apartment 401, Block 2 Jalan SS18/47, 40000 Shah Alam Selangor Darul Ehsan	(66)	3-bedroom apartment used as accommodation for employees when attending training	10	Leasehold (expiring on 29.7.2096)	35
20,Jalan 54 Desa Jaya Kepong 52100 Kuala Lumpur	270 (1,080)	4-storey shop lot used as showroom and workshop	9	Leasehold (expiring on 8.3.2081)	645
47, Jalan Tun Abdul Razak 30100 Ipoh Perak Darul Ridzuan	3,728 (750)	Land with double-storey building used as showroom and workshop	21	Freehold	1,832
32, Jalan Tun Razak 80200 Johor Bahru Johor Darul Takzim	4,805 (939)	Land with building used as showroom and workshop	8	Leasehold (expiring on 21.12.2030)	1,792
Lot No. 20 Sedco Industrial Estate Jalan Kelembong, Inanam 88450, Kota Kinabalu, Sabah	4,309	Industrial land with building used as workshop	9	Leasehold (expiring on 31.12.2034)	1,137
Lot 1A, Jalan Keluli Section 15, 40000 Shah Alam Selangor Darul Ehsan	440	Commercial land with building used as showroom	7	Leasehold (expiring on 12.1.2086)	458
Lot 27, 28 and 29, Selayang Baru Selangor Darul Ehsan	(1,131)	3 units of 1 1/2 storey terrace factory	-	Leasehold	997
1, Jalan Memanda 7/1, Ampang Triangle Off Jalan Ampang 68000 Kuala Lumpur	304 (1,331)	Corner 4 1/2 storey shop lot used as showroom	7	Freehold	1,836
11A, Level 11, Genting View Resort Genting Highlands, Bentong Pahang Darul Makmur	(92)	3-bedroom apartment used for leisure and recreation	10	Freehold	167

Location	Land area (built-up area) sq metre	Description of property and existing use	Approx. age of building	Tenure	Book value as at 31.12.02 (RM '000)
2, Jalan 19/36 45300 Petaling Jaya Selangor Darul Ehsan	(966)	Land with 4 storey corner shophouse	6	Freehold	2,761
Lot 6165A, Bukit Beruntung Industrial Park Selangor Darul Ehsan	5,681	Industrial Land with building	-	Freehold	2,271
3/G10 Ground & First Floor Api Api Centre Kota Kinabalu, Sabah	127 (242)	Showroom	6	Leasehold	571
5/G8 Ground & First Floor Api Api Centre Kota Kinabalu, Sabah	127 (242)	Showroom	6	Leasehold	784
Lot 2, Jalan Gergaji 15/4 Shah Alam Selangor Darul Ehsan	12,070	Industrial Land with building	4	Leasehold (expiring in year 2094)	4,204
Lot 48 & 57 Bukit Beruntung Industrial Park Selangor Darul Ehsan	8,247	Industrial Land with building	-	Freehold	3,530
Units 3, 4, 7 and 8, Level 4 and 5 Block K, Bandar Bukit Beruntung Apartments, Selangor Darul Ehsan	(653)	8 units apartments	-	Freehold	162
Lot 7, 8 and 9 HS (D) 70978, 67686 Bandar Kuala Lumpur	502	Commercial land with building used as showroom	-	Leasehold (expiring on 12.1.2067)	8,459
111, Jalan Laksamana Cheng Ho 75000 Melaka	5,263 (814)	Land with double-storey building used as showroom and workshop	10	Freehold	1,875
Lot 2702, Palm Spring, Port Dickson Negeri Sembilan Darul Khusus	834	Bungalow lot	-	Freehold	178
Block SA-01, Signature Offices Mid Valley, Phase 1 Bandar Kuala Lumpur	(3,062)	11 storey office, commercial building (under construction)	-	Leasehold	11,833
Proprietor: DMM Sales Sdn Bhd 1262 Jalan Baru 13700 Perai Pulau Pinang	10,775	Industrial Land with building	4	Freehold	1,681
No 1 Jalan Damai Utama Taman Industri Damaipulus 83000 Batu Pahat Johor	6,787	Industrial Land with building	3	Freehold	1,530
TOTAL					64,380

analysis of shareholdings as at 31 March 2003

Authorised Share Capital	:	500,000,000
Paid-up & Issued Share Capital	:	231,666,667
Type of Shares	:	Ordinary Shares of RM1.00 each
No of Shareholders	:	3,997
Voting Rights	:	One Vote for every shares

SIZE OF SHAREHOLDINGS

	No. of Holders	%	No. of Shares	%
1 - 999	60	1.50	21,867	0.01
1,000 - 10,000	3,328	83.26	10,674,004	4.61
10,001 - 100,000	477	11.93	15,588,100	6.73
100,001 - less than 5% of issued shares	128	3.20	65,613,073	28.32
5% and above of issued shares	4	0.10	139,769,623	60.33
Total	3,997	100.00	231,666,667	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2003

	Name of Shareholders	Number of Shares Held	%
1	Med-Bumikar Mara Sdn. Bhd.	137,100,163 a	59.18
2	Majlis Amanah Rakyat	137,101,818 b	59.18
3	Employees Provident Fund Board	15,357,332	6.63

Notes:

- a Include deemed interest by virtue of its shareholding in Central Shore Sdn Bhd
b Deemed interest by virtue of its shareholding in Med-Bumikar Mara Sdn. Bhd.

list of top 30 shareholders as at 31 March 2003

Name of Shareholders	Shareholdings	Total Shareholdings	% Shareholding
1 Med-Bumikar Mara Sdn Bhd	85,720,624		
Public Nominees (Tempatan) Sdn Bhd			
Pledged Securities Account for Med-Bumikar Mara Sdn Bhd	33,333,333		
Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd			
Pledged Securities Account for Med-Bumikar Mara Sdn Bhd	<u>16,666,666</u>	135,720,623	58.58
2 Employees Provident Fund Board	11,882,333		
AM Nominees (Tempatan) Sdn Bhd			
for Employees Provident Fund Board	2,891,666		
Rothputra Nominees (Tempatan) Sdn Bhd			
for Employees Provident Fund Board	<u>583,333</u>	15,357,332	6.63
3 Amanah Raya Nominees (Tempatan) Sdn Bhd			
for Amanah Saham Didik	1,650,000		
for AUTB Progress Fund	1,000,000		
for Mayban Dana Yakini	900,333		
for Dana Al-Aiman	<u>581,666</u>	4,131,999	1.78
4 Universal Trustee (Malaysia) Berhad			
for Mayban Balanced Trust Fund	1,559,000		
for BHLB Emerging Companies Growth Fund	1,418,000		
for BHLB Pacific Dana Al-Mizan	<u>546,000</u>	3,523,000	1.52
5 Permodalan Nasional Berhad		2,276,666	0.98

Name of Shareholders		Shareholdings	Total Shareholdings	% Shareholding
6	AMMB Nominees (Tempatan) Sdn Bhd <i>AM Trustee Bhd for BHLB Pacific Dana Al-Ihsan</i> <i>AM Trustee Bhd for HLG Penny Stock Fund</i> <i>Meridian Asset Management Sdn Bhd for</i> <i>Malaysian Assurance Alliance Berhad</i>	1,503,000 670,000 <u>505,000</u>	2,678,000	1.16
7	Amanah Raya Berhad for Amittikal		2,110,333	0.91
8	Looi Kum Pak @ Looi Kam Phak		1,907,736	0.82
9	Valuecap Sdn Bhd		1,829,000	0.79
10	Ahmad Azizuddin bin Zainal Abidin		1,724,208	0.74
11	Zaharah binti Nordin		1,598,333	0.69
12	Central Shore Sdn Bhd		1,379,540	0.60
13	Mayban Nominees (Tempatan) Sdn Bhd <i>Avenue Asset Management for</i> <i>Perusahaan Otomobil Nasional Berhad</i> <i>Mayban Trustees Bhd for Avenue Equityextra Fund</i>	685,000 <u>606,000</u>	1,291,000	0.56
14	Abd Rahim bin Abd Halim		959,495	0.41
15	Summit Holdings Sdn Bhd		955,000	0.41
16	Yap Jek Nan		907,333	0.39
17	Yap Siew Chin		895,598	0.39
18	Yap Ken Nan		895,330	0.39
19	A.A. Assets Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Leong Thean</i>		856,666	0.37
20	Wong Wei Khin		806,433	0.35
21	Yap Lim Sen		764,606	0.33
22	MCIS Insurance Berhad		712,000	0.31
23	Malaysia Assurance Alliance Berhad <i>as Beneficial Owner (Growth Fund)</i>		666,666	0.29
24	Lembaga Tabung Haji		656,666	0.28
25	Wong Fay Ling		609,765	0.26
26	Cartaban Nominees (Asing) Sdn Bhd <i>for SSBT Fund TRA9 for Teacher Retirement System of Texas</i>		583,333	0.25
27	Malayan Building Developement Sdn Berhad		468,816	0.20
28	Kurnia Insurans (Malaysia) Sdn Bhd		455,000	0.20
29	Jerneh Insurance Bhd		445,000	0.19
30	Yayasan Teratai		420,000	0.18
Total			187,585,477	80.97

FORM OF PROXY

MBM RESOURCES BERHAD

(Incorporated in Malaysia)
(Co. No. 284496-V)

I/We _____
of _____
being a member/members of **MBM RESOURCES BERHAD**, hereby appoint _____
of _____
or failing him/her, _____
of _____
or failing him/her, the Chairman of the Meeting as my proxy/our proxy to vote for me/us on my/our behalf at the **Ninth Annual General Meeting** of the Company to be held at Ballroom 1, Corus Hotel, Jalan Ampang, 50400 Kuala Lumpur, on Wednesday, 21 May 2003 at 2.30 p.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

Resolutions	For	Against
Ordinary Resolution No. 1		
Ordinary Resolution No. 2		
Ordinary Resolution No. 3		
Ordinary Resolution No. 4		
Ordinary Resolution No. 5		
Ordinary Resolution No. 6		
Ordinary Resolution No. 7		
Ordinary Resolution No. 8		
Ordinary Resolution No. 9		

(Please indicate with "X" how you wish to cast your vote)

Number of Shares	
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.....

Signature

Signed this day of 2003

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies 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 his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company, Suite 15-03, 15th Floor, Wisma UOA II, 21 Jalan Pinang, 50450 Kuala Lumpur, at least forty-eight hours (48) before the time appointed for holding the Meeting.

FOLD THIS FLAP FOR SEALING

Affix
Stamp

MBM RESOURCES BERHAD
The Company Secretaries

Suite 15-03, 15th Floor
Wisma UOA II
21 Jalan Pinang
50450 Kuala Lumpur

2nd FOLD HERE

1st FOLD HERE