

annual report

2003



PRESS METAL BERHAD
(Company No. 153208-W)




Press Metal Berhad's logo consists of three capital P's with a red triangle on the left. The red, blue and white are colours of the Malaysian flag. This signifies a truly Malaysian corporate identity. The red triangle signifies clear corporate goals and focus on the direction of the Company. The three P's represents:-

- Progressive Company
- People who work closely together towards achieving the corporate goals
- Production of high quality products



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corporate information

BOARD OF DIRECTORS

Dato' Megat Abdul Rahman bin Megat Ahmad
Chairman

Koon Poh Ming
Executive Vice Chairman

Dato' Koon Poh Keong
Group Chief Executive Officer

Koon Poh Weng

Koon Poh Kong

Koon Poh Tat

Kuan Shin @ Kuan Nyong Hin

Mohamad Faiz bin Abdul Hamid

Loo Lean Hock

Tan Heng Kui

Kuan Pek Seng
Alternate Director to Kuan Shin @ Kuan Nyong Hin

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
Saw Bee Lean (MAICSA 0793472)

SHARES AND WARRANTS REGISTRAR

Tenaga Koperat Sdn. Bhd.
20th Floor, Plaza Permata,
Jalan Kampar,
Off Jalan Tun Razak,
50400 Kuala Lumpur,
Malaysia.
Tel: 603-4041 6522
Fax: 603-4042 6532

REGISTERED OFFICE

Level 7, Setia 1,
15, Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur,
Malaysia.
Tel: 603-2095 7188
Fax: 603-2095 0988

CORPORATE OFFICE

Lot 6464 Batu 5 3/4,
Jalan Kapar, Sementa,
42100 Klang,
Selangor Darul Ehsan,
Malaysia.
Tel: 603-3291 3188
Fax: 603-3291 3637
Website URL: www.pressmetal.com

PRINCIPAL BANKERS

Bumiputra-Commerce Bank Berhad
Citibank Berhad
United Overseas Bank (M) Berhad
Malayan Banking Berhad

AUDITORS

KPMG
(Chartered Accountants)
Wisma KPMG,
Jalan Dungun, Damansara Heights,
50490 Kuala Lumpur, Malaysia.

STOCK EXCHANGE LISTING

The Main Board, Bursa Malaysia Securities Berhad

notice of annual general meeting

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting of Press Metal Berhad will be held at Room Tun H.S. Lee, Commonwealth House, No. 4 Jalan Birah, Damansara Heights, 50490 Kuala Lumpur on Thursday, 17 June 2004 at 9.30 a.m.

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2003 together with the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To declare a final dividend of 4%, comprising 2% less 28% tax and 2% tax exempt, for the financial year ended 31 December 2003. **Resolution 2**
3. To approve the payment of Directors' Fees in respect of the financial year ended 31 December 2003. **Resolution 3**
4. To re-elect the following Directors retiring pursuant to Article 92 of the Articles of Association of the Company:-
 - (i) Koon Poh Ming **Resolution 4**
 - (ii) Dato' Koon Poh Keong **Resolution 5**
 - (iii) Mohamad Faiz bin Abdul Hamid **Resolution 6**
5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**

As Special Business

To consider and, if thought fit, to pass the following Resolutions:-

6. *Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares*
 "That pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued Share Capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue." **Resolution 8**
7. *Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Press Metal Berhad and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties ("Proposed Shareholders' Mandate")*

"THAT, the mandate granted by the shareholders of the Company at the Annual General Meeting held on 30 June 2003 pursuant to paragraph 10.09 of the Listing Requirements of the Bursa Malaysia Securities Berhad, authorising the Company and its subsidiaries ("PMB Group") to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.3(i) of the Circular to Shareholders dated 26 May 2004 ("Circular") with the related parties mentioned therein which are necessary for the PMB Group's day-to-day operations, be and is hereby renewed.



notice of annual general meeting

That, a new mandate be and is hereby granted for the Company to enter into recurrent related party transactions of a revenue or trading nature from time to time with the Related Parties as stated in Section 2.3(ii) of the Circular; which are necessary for the Group's day-to-day operations.

THAT the PMB Group is hereby authorised to enter into the Proposed Shareholders' Mandate provided that:-

- a) the transactions are in ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- b) the disclosure will be made in the Annual Report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Proposed RRPT Mandate during the financial year on the type of Recurrent Related Transactions made, the names of the related parties involved in each type of Recurrent Related Party Transactions and their relationships with the Company.

THAT the authority conferred shall continue to be in force until:

- i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which the Proposed RRPT Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the mandate is again renewed;
- ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate."

Resolution 9

notice of annual general meeting

NOTICE OF DIVIDEND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT, subject to the approval of the shareholders at the Eighteenth Annual General Meeting, a final dividend of 4%, comprising 2% less 28% tax and 2% tax exempt, for the financial year ended 31 December 2003 will be paid to shareholders on 6 August 2004. The entitlement date for the said dividend shall be 8 July 2004.

A Depositor shall qualify for entitlement to the Dividend only in respect of: -

- (a) Shares transferred to the Depositor's securities account before 4.00 p.m. on 8 July 2004 in respect of transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

SAW BEE LEAN (MAICSA 0793472)

TAI YIT CHAN (MAICSA 7009143)

Secretaries

Kuala Lumpur

Date: 26 May 2004

NOTES:

1. A member of the Company 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 may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provisions of Section 149 (1) (b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.



notice of annual general meeting

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution No. 8

- Resolution pursuant to Section 132D of the Companies Act, 1965

The Resolution proposed under item 6 of the Agenda, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

Resolution No. 9

- Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Press Metal Berhad and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties ("Proposed Shareholders' Mandate")

For further information on Resolution No. 9, please refer to the Circular to Shareholders dated 26 May 2004 accompanying the Company's Annual Report for the financial year ended 31 December 2003.

statement accompanying notice of eighteenth annual general meeting

Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad:-

1. Directors standing for re-election at the Eighteenth Annual General Meeting:-

Retiring pursuant to Article 92 of the Articles of Association of the Company:-

- i) Koon Poh Ming
- ii) Dato' Koon Poh Keong
- iii) Mohamad Faiz bin Abdul Hamid

The details of the Directors seeking for re-election are set out in their respective profiles which appear on pages 10, 11 and 13 of the Annual Report.

2. Number of Board Meetings held in the financial year ended 31 December 2003: Four (4)
3. Details of attendance of Directors at Board Meetings held in the financial year ended 31 December 2003 are as follows:-

Directors	Number of meetings attended
Dato' Megat Abdul Rahman bin Megat Ahmad	4/4
Dato' Koon Poh Keong	3/4
Koon Poh Ming	4/4
Kuan Shin @ Kuan Nyong Hin (Alternate: Mr Kuan Pek Seng)	2/4
Koon Poh Tat	4/4
Koon Poh Weng	4/4
Koon Poh Kong	3/4
Mohamad Faiz bin Abdul Hamid	4/4
Loo Lean Hock	4/4
Tan Heng Kui	3/4

4. The Eighteenth Annual General Meeting of the Company will be held at Room Tun H.S. Lee, Commonwealth House, No. 4, Jalan Birah, Damansara Heights, 50490 Kuala Lumpur on Thursday, 17 June 2004, at 9.30 a.m.

board of directors



Standing from left to right:

Mr Kuan Pek Seng, Mr Tan Heng Kui, Mr Loo Lean Hock, Kuan Shin @ Kuan Nyong Hin, Encik Mohamad Faiz bin Abdul Hamid, Mr Koon Poh Kong, Mr Koon Poh Weng, Mr Koon Poh Tat, Dato' Koon Poh Keong, Mr Koon Poh Ming and Dato' Megat Abdul Rahman bin Megat Ahmad, DSDK.

management team



Mr Koon Poh Ming
Executive Vice Chairman



Dato' Koon Poh Keong
Group Chief Executive Officer



Mr Koon Poh Tat
Executive Director
Press Metal Berhad



Mr Koon Poh Weng
Executive Director
Angkasa Jasa Sdn Bhd



Mr Koon Poh Kong
Executive Director
Angkasa Jasa Sdn Bhd



Mr John Henley-Smith
Managing Director
Press Metal Aluminium
(Australia) Pty Ltd



Mr Chey Poi See
General Manager
PMB Recycling Management
Sdn Bhd



**Mr Christopher
Wong Cheong Wah**
General Manager
Angkasa Jasa Sdn Bhd



Mr Loo Tai Choong
Senior Finance Manager
Press Metal Berhad



Mr Joey Khoo Kai Leong
Business Development Manager
PMB Marketing Sdn Bhd



profile of directors



Dato' Megat Abdul Rahman Bin Megat Ahmad, DSDK

Age 64. Malaysian. Non-Independent, Non-Executive Chairman and Chairman of Remuneration and Nomination Committees. He was appointed to the Board on 25 May 1995 and elected Chairman on the same day. Attended all four Board Meetings held in the financial year. He sits on the Boards of several public listed companies, several private companies and also serves as member on the Boards of University Kebangsaan Malaysia and also Hospital Universiti Kebangsaan Malaysia. He graduated with a Bachelor of Commerce degree from University of Melbourne, Australia. He is a fellow, Institute of Chartered Accountants in Australia [FCA (AUST)], member, Malaysian Institute of Certified Public Accountants (MICPA) and member, Malaysian Institute of Accountants (MIA). He had served as Executive Director in Kumpulan Guthrie Berhad from 1983-1994 and served as Partner/Managing partner of KPMG, Desa, Megat & Co from 1973 to 1983. He is also a director of Boustead Holdings Berhad, UAC Berhad, Berjantai Tin Dredging Berhad and Tronoh Mines Malaysia Berhad. He has no conflict of interest with the Group, and has no family relationship with any other director and/ or major shareholder of the Group. He maintains a clean record with regard to convictions for offences.

Koon Poh Ming

Age 47. Malaysian. Non-independent, Executive Vice Chairman and Director since 13 May 1986. He is a member of the Remuneration Committee. Attended all four Board Meetings held in the financial year. He is also a Non-Independent Director and the Chief Executive Officer of PMB Technology Berhad. He is a professional engineer registered with the Board of Engineers, Malaysia and The Institute of Engineers, Malaysia. He has actively been involved in the aluminium trading and manufacturing for more than 20 years. After graduation, he started his career with an international consulting engineering firm based in Kuala Lumpur whereby he was involved in the design, supervision and management of several large construction projects for 8 years. With his job experience in the field of construction and management, he started his own consulting engineering and project management services under the registered name of PM Perunding in 1988. He is the brother to Kuan Shin @ Kuan Nyong Hin, Dato' Koon Poh Keong, Koon Poh Kong, Koon Poh Weng, Koon Poh Tat and uncle to Kuan Pek Seng. He maintains a clean record with regard to convictions for offences.



profile of directors



Dato' Koon Poh Keong

Age 43. Malaysian. Non-independent Group Chief Executive Officer and Member of Audit Committee. He is one of the founder members of Press Metal Berhad and had been appointed as Group Chief Executive Director since the Company was listed on Bursa Malaysia Second Board in 1993. Attended three out of four Board Meetings held in the financial year. Currently, he is also a Non-Independent Director and Executive Chairman of PMB Technology Berhad. He graduated with a Bachelor of Science in Electrical Engineering from The University of Oklahoma, United States of America, in 1986. He is the brother to Kuan Shin @ Kuan Nyong Hin, Koon Poh Ming, Koon Poh Kong, Koon Poh Weng, Koon Poh Tat and uncle to Kuan Pek Seng. He maintains a clean record with regard to convictions for offences.

Koon Poh Weng

Age 49. Malaysian. Non-independent, Executive Director since 13 May 1986. Attended all four Board Meetings held in the financial year. Being a key founder of the Company, he has many years of specialised experience in the marketing of hardware and equipment. His experiences include the management of major projects throughout the country. He has been responsible for all aspects of the management and for producing satisfactory results on large variety of projects ranging from schools, government complexes to prominent hotels. He is an Executive Director of PMB Technology Berhad and also Managing Director of Angkasa Jasa Sdn Bhd, a company involved in contracting and fabrication of aluminium and stainless steel products. He is the brother to Kuan Shin @ Kuan Nyong Hin, Koon Poh Ming, Dato' Koon Poh Keong, Koon Poh Kong, Koon Poh Tat and uncle to Kuan Pek Seng. He maintains a clean record with regard to convictions for offences.



Koon Poh Kong

Age 51. Malaysian. Non-independent, Executive Director since 13 May 1986. Attended three out of four Board Meetings held in the financial year. Being a key founder of the Company, his experiences include the management of major projects throughout the country. He has been responsible for all aspects of the management and for producing satisfactory results on large variety of projects ranging from schools, government complexes to prominent hotels. Currently, he is the Executive Director of Angkasa Jasa Sdn Bhd, a company involved in contracting and fabrication of aluminium and stainless steel products. He is the brother to Kuan Shin @ Kuan Nyong Hin, Koon Poh Ming, Dato' Koon Poh Keong, Koon Poh Weng, Koon Poh Tat and uncle to Kuan Pek Seng. He maintains a clean record with regard to convictions for offences.



profile of directors



Koon Poh Tat

Age 44. Malaysian. Non-independent, Executive Director since 7 June 1999. He is a co-founder of Press Metal Berhad's Johor branch. Attended all four Board Meetings held in the financial year. His hard work and dedication lead Johor branch to be the pioneer in the aluminum industry. Currently, he is also an Executive Director of PMB Technology Berhad. He is the brother to Kuan Shin @ Kuan Nyong Hin, Koon Poh Ming, Dato' Koon Poh Keong, Koon Poh Kong, Koon Poh Weng and uncle to Kuan Pek Seng. He maintains a clean record with regard to convictions for offences.

Kuan Shin @ Kuan Nyong Hin

Age 63. Malaysian. Non-Independent, Non-Executive Director since 28 June 1986. Attended two out of four Board Meetings held in the financial year. He has started his career in the non-ferrous metal product industry in the early 1960's. He is also the Chairman of Chin Foh Berhad. He is the brother to Koon Poh Ming, Dato' Koon Poh Keong, Koon Poh Kong, Koon Poh Weng, Koon Poh Tat and father to Kuan Pek Seng. He maintains a clean record with regard to convictions for offences.



Kuan Pek Seng

Age 36. Malaysian. Non-Independent, Non-Executive Alternate Director to Mr Kuan Shin @ Kuan Nyong Hin since 30 March 1998. He holds a Diploma in Business and Finance from Filton Technical College, England (1988). Currently, he is the Managing Director of Chin Foh Berhad. He is the nephew to Koon Poh Ming, Dato' Koon Poh Keong, Koon Poh Kong, Koon Poh Weng, Koon Poh Tat and son to Kuan Shin @ Kuan Nyong Hin. He maintains a clean record with regard to convictions for offences.

profile of directors

Mohamad Faiz Bin Abdul Hamid

Age 64. Malaysian. Independent Non-Executive Director, Chairman of Audit Committee and member of Remuneration and Nomination Committees. Appointed as Director on 7 May 1993. Attended all four Board Meetings held in the financial year. He is a Fellow of the Royal Institution of Chartered Surveyors England and the Institution of Surveyors Malaysia since 1981. He is also an Independent, Non-Executive Director of PMB Technology Berhad and Alternate Director in Malayan United Industries Berhad. He was a consultant quantity surveyor since 1968 and currently a director of Yong Dan Mohamad Faiz Sdn. Bhd., a Chartered Quantity Surveying and Cost Consultant Firm. He was the past President of the Institution of Surveyors, Malaysia. He has no conflict of interest with the Group and has no family relationship with any director and/ or major shareholder of the Group. He maintains a clean record with regard to convictions for offences.



Loo Lean Hock

Age 44. Malaysian. Independent, Non-Executive Director since 14 September 2001. Attended all four Board Meetings held in the financial year. He is a member of the Nomination Committee. He is a Chartered Accountant of the Malaysian Institute of Accountants, a practising member of Malaysian Institute of Certified Public Accountants, an associate member of Malaysian Institute of Taxation and Malaysian Institute of Management. He obtained his Master of Business Administration from University of Bath, United Kingdom in 1992. He started his professional career in Coopers & Lybrand from 1980 to 1990. He joined Press Metal Berhad in 1990 as the Financial Controller. After that, he joined The Crown Princess Kuala Lumpur (a hotel division of Asia Pacific Land Berhad) as the Financial Controller. He set up his own auditing firm, L.H. Loo & Co. in July 1993 as the sole practitioner. He is also an Independent, Non-Executive Director of PMB Technology Berhad, a Director of LH Loo Taxation Services Sdn. Bhd. and Competitive Edge Consulting Sdn. Bhd., service providers in accounting, taxation and consulting services. He was an alternate Director on the board of Chin Foh Berhad from 1997 to 2001. He has no conflict of interest with the Group and has no family relationship with any director and/ or major shareholder of the Group. He maintains a clean record with regard to convictions for offences.



Tan Heng Kui

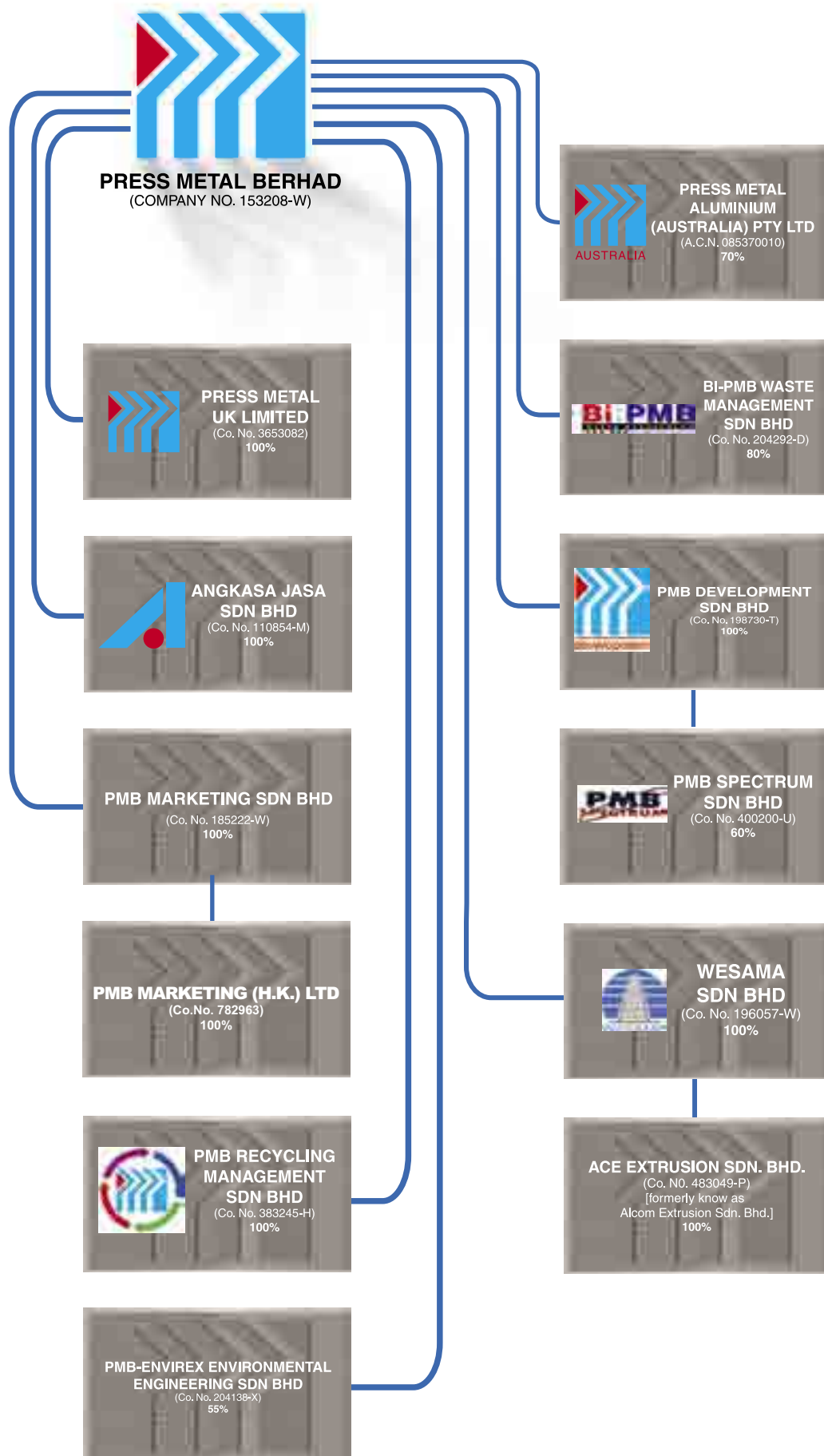
Age 47. Malaysian. Independent, Non-Executive Director and Member of the Audit Committee since 26 December 2001. Attended three out of four Board Meetings held in the financial year. He is a Vice President for The Institution of Engineers, Malaysia, and is a member of the Professional Practice Committee, Board of Engineers Malaysia. He set up his own consulting firm, Perunding Pertama Consulting Engineers in 1988. He is also the Executive Director of Kumpulan IKRAM (Sabah) Sdn. Bhd. since 1997. He obtained his Bachelor of Science Honours in Civil Engineering from The University of Wales, United Kingdom. He has no conflict of interest with the Group and has no family relationship with any director and/ or major shareholder of the Group. He maintains a clean record with regard to convictions for offences.





PRESS METAL BERHAD
(Company No. 153208-W)

company structure



a u d i t c o m m i t t e e r e p o r t

MEMBERSHIP

The members of the Audit Committee (the "Committee") are as follows:-

Mohamad Faiz Bin Abdul Hamid (Chairman)

Independent Non-Executive Director

Loo Lean Hock

Independent Non-Executive Director; Member of the Malaysian Institute of Accountants

Tan Heng Kui

Independent Non-Executive Director

Dato' Koon Poh Keong

Group Chief Executive Officer

ATTENDANCE AT MEETINGS

During the financial year, the Committee held four (4) meetings. The details of attendance of the Committee members are as follows:-

<u>Name of Audit Committee member</u>	<u>No. of meetings attended</u>
Mohamad Faiz bin Abdul Hamid	4/4
Dato' Koon Poh Keong	3/4
Loo Lean Hock	4/4
Tan Heng Kui	3/4

TERMS OF REFERENCE

Composition of the Audit Committee

The Audit Committee shall be appointed by the Directors from among their number (pursuant to a resolution of the Board of Directors), which fulfils the following requirements:-

- a) The Audit Committee must be composed of no fewer than 3 members;
- b) A majority of the audit committee must be independent directors; and
- c) At least one member of the audit committee:-
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
 - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.

The members of the Audit Committee shall elect a Chairman from among their number who shall be an Independent Director. In the event of any vacancy in the Audit Committee resulting in the non-compliance of items (a) to (c) above, the vacancy must be filled within 3 months of that event. The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every 3 years to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference.



a u d i t c o m m i t t e e r e p o r t

Objectives

The objective of the Audit Committee is to assist the Board of Directors in meeting its responsibilities relating to accounting and reporting practices of the Company and its subsidiary companies.

In addition, the Audit Committee shall:-

- a) Oversee and appraise the quality of the audits conducted both by the Company's internal and external auditors;
- b) Maintain open lines of communication between the Board of Directors, the internal auditors and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- c) Determine the adequacy of the Group's administrative, operating and accounting controls.

Duties and Responsibilities

The following are the main duties and responsibilities of the Audit Committee:-

- a) Recommend to the Board on the appointment and annual re-appointment of the external auditors and their audit fee, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit.
- b) Discuss with the external auditors before the audit commences, the nature and scope of the audit, the audit plan and ensure co-ordination where more than one audit firm is involved.
- c) Review the quarterly results and annual financial statements of the Company and the Group prior to approval by the Board whilst ensuring that they are prepared in a timely and accurate manner complying with all accounting and regulatory requirements and are promptly published.
- d) Discuss problems and reservations arising from the interim and final audits and any matter the auditors may wish to discuss in the absence of the Management where necessary.
- e) Review the external auditors' management letter and Management's response.
- f) Review the assistance and co-operation given by Press Metal Berhad and its Group's officers to the external and internal auditors.
- g) Evaluate the standards of internal controls and financial reporting of the Press Metal Group of Companies.
- h) Review any related party transactions and conflict of interest situation that may arise within Press Metal Berhad or the Group, including any transactions, procedure or course of conduct that raises questions of management integrity.
- i) Consider other issues as defined by the Board.

RIGHTS OF THE AUDIT COMMITTEE

The Audit Committee shall, wherever necessary and reasonable for the Company to perform its duties, in accordance with a procedure to be determined by the Board of Directors and at the cost of the Company:-

- a) Have authority to investigate any matter within its terms of reference;
- b) Have the resources which are required to perform its duties;
- c) Have full and unrestricted access to any information pertaining to the Company;
- d) Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- e) Be able to obtain independent professional or other advice; and
- f) Be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

a u d i t c o m m i t e e r e p o r t

MEETINGS

The Audit Committee shall meet at least 4 times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties. However, at least once a year the Audit Committee shall meet with the external auditors without executive Board members present.

In addition, the Chairman may call a meeting of the Audit Committee at the request of any committee member, the Company's Chief Executive, or the internal or external auditors.

The Company Secretary or other appropriate senior official shall act as secretary of the Audit Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Audit Committee, and circulating them to committee members and to the other members of the Board of Directors.

A quorum shall consist of a majority of independent directors.

By invitation of the Audit Committee, the Company must ensure that other directors and employees attend any particular audit committee meeting specific to the relevant meeting.

INTERNAL AUDIT FUNCTION

The primary role of the internal audit is to undertake regular and systematic review of the systems of internal control so as to provide sufficient assurance that the Group has sound system of internal control and that established policies and procedures are adhered to.

The internal audit which reports directly to the Audit Committee should carry out its responsibilities with impartiality, proficiency and due professional care.

ACTIVITIES REPORT

The main activities undertaken by the Internal Audit were as follows:-

1. Regularly examining the controls over all significant Group's operations and systems to ascertain whether the systems established provide reasonable assurance that the Group's objectives and goals will be met efficiently and economically.
2. Prepare the annual audit plan for deliberation by the Audit Committee.
3. Act on suggestions made by the Audit Committee and/or senior management on concerns over operations or control.
4. Issue audit reports which identify weakness and problems and contain recommendations for improvements.
5. Issue audit reports to the appropriate level of management capable of achieving satisfactory results.



chairman's statement



Dato' Megat Abdul Rahman bin Megat Ahmad
Chairman

On behalf of the Board of Directors of Press Metal Berhad, I have pleasure in presenting the Annual Report and Financial Statements of the Group and the Company for the financial year ended 31 December 2003.

FINANCIAL PERFORMANCE

I am glad to inform that the Group achieved another satisfactory performance in the year 2003. It recorded a turnover of RM446.2 million for the financial year ended 31 December 2003 representing an improvement of approximately RM90.5 million or 25% over that of the previous year of RM355.7 million.

The consolidated profit before tax of RM28.0 million was an increase of RM6.9 million or 32%, whereas the consolidated profit after tax and minority interest rose by RM5.3 million or 53% to RM15.3 for the financial year ended 31 December 2003. Correspondingly, the Group earnings per share increased from 16.1 sen to 24.6 sen.

chairman's statement

DIVIDENDS

The Board is pleased to propose a final dividend of 2% less 28% tax and 2% tax exempt, amounting to RM2,178,055 in respect of the year ended 31 December 2003, subject to shareholders approval at the forthcoming Annual General Meeting. There was no other dividend declared for the financial year ended 31 December 2003.

CORPORATE DEVELOPMENT

I am pleased to announce that the Group had successfully listed its' two subsidiaries, namely PMB Facade Technology Sdn. Bhd. and Everlast Aluminium (M) Sdn. Bhd., through PMB Technology Berhad ("PMBT"), on the Second Board of the Malaysia Securities Exchange Berhad on 5th November 2003. With the completion of the listing exercise, it had further enhanced the enlarged PMBT Group's corporate reputation and simultaneously, assisted PMBT Group in expanding its customer base both in Malaysia and overseas. The Listing exercise had also increased PMB's value, which in turns enhanced its shareholders' value.

During the financial year 2003, the Group had further increased its participation in the aluminium industry, through the acquisition of Alcom Extrusion Sdn. Bhd. ('AESB') from Aluminium Company of Malaysia. AESB is principally involved in the manufacturing and trading of aluminium extrusion products. Presently, PMB and AESB are both leaders in the aluminium extrusion business. This acquisition is in line with the expansion plan of the Group in order to strengthen and consolidate its core business. With the acquisition, it will enable PMB to further enhance its manufacturing facilities and share of common operations and technology for the purpose of improving the operational efficiencies and achieving economies of scale. Furthermore, with the acquisition of AESB, the Group had reinforced its dominant position in the extrusion business in this region.

PROSPECTS

The outlook for 2004 remains positive as Malaysia's economic indicators are showing improvement and political and social environment remain stable. Export growth shows no signs of contraction. The Malaysian Government's commitment to formulate and implement right policy mix in order to stimulate growth, maintain employment and attract foreign direct investment are conducive to a better business environment. Barring unforeseen circumstances especially on the global environment, the outlook for 2004 and beyond should be positive.

APPRECIATION

On behalf of the Directors and Management of Press Metal Berhad, I wish to thank all our shareholders, customers and business associates for their confidence in and continued support to the Group. I also thank all our employees for their dedication and hard work, which in no small measure had contributed to the satisfactory results in the past year. I look forward to the continue support of all the stakeholders in the years ahead.

DATO' MEGAT ABDUL RAHMAN BIN MEGAT AHMAD

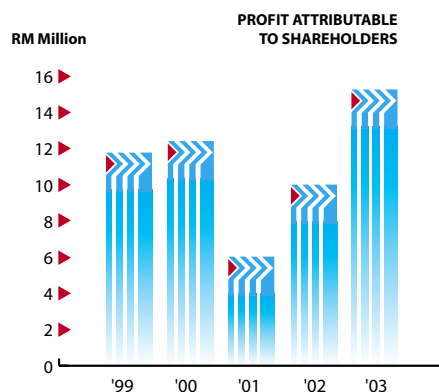
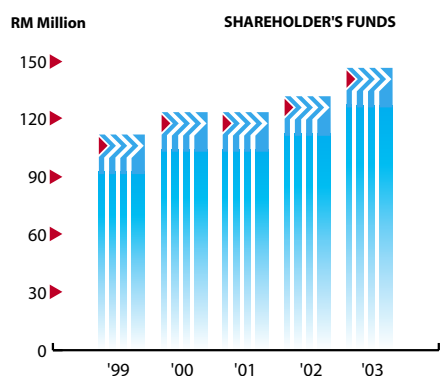
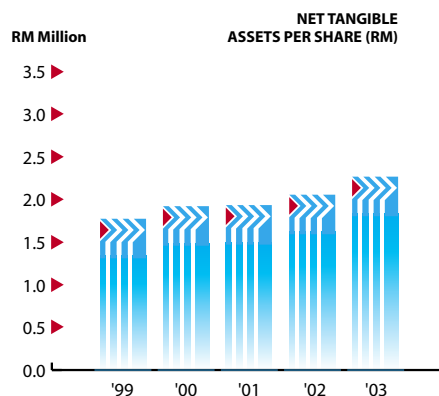
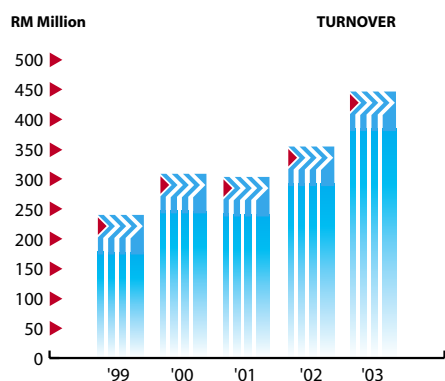
Chairman

Date: 12 May 2004



five years group financial highlights

	1999 RM '000	2000 RM '000	2001 RM '000	2002 RM '000	2003 RM '000
Turnover	239,817	309,158	303,252	355,708	466,229
Profit Before Taxation	13,256	20,685	12,772	21,174	28,029
Profit After Taxation	13,843	16,318	8,874	15,565	21,376
Profit Attribution to Shareholders	11,744	12,466	6,042	10,011	15,303
Shareholders' Funds	111,923	123,459	123,571	131,722	146,528
Paid-up Share Capital	62,016	62,016	62,016	62,016	63,314
Net Earnings Per Share (Sen)	19	20	10	16	25
Net Tangible Assets Per Share (RM)	1.78	1.93	1.94	2.06	2.27
Gross Dividend Rate (%)	3.0	1.5	1.5	4.5	4.0



corporate governance statement

The Board of Directors ("the Board") of Press Metal Berhad ("the Company") is committed to exercise good corporate governance by supporting and applying the prescriptions of the principles and best practices set out in Parts 1 and 2 respectively of the Malaysian Code on Corporate Governance (the "Code"). In addition, the Board follows global developments of internationally recognised best governance practices, and though complying in many respects already, continually reviews the Company and its subsidiaries' ("the Group") corporate governance processes and makes adjustments as may be appropriate. The key intent is to adopt the substance behind good governance and not merely the form, with the aim of ensuring Board's effectiveness in enhancing shareholders' value. The Board is pleased to provide the following statement on how the Group has applied the principles and best practices set out in Parts 1 and 2 of the Code. Unless otherwise stated, the Board has throughout the financial year ended 31 December 2003 complied with the best practices indicated in the Code.

DIRECTORS

The Board

The Group recognises the important role played by the Board in the stewardship of its direction and operations, and ultimately, the enhancement of long-term shareholders' value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Role And Functions

The Board has a formal schedule of matters reserved for decision, which includes the overall Group's strategy and direction, acquisition and divestment policy, approval of major capital expenditure projects and significant financial matters. The schedule ensures that the governance of the Group is in its hands.

Meeting

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the financial year ended 31 December 2003, the Board met on four (4) occasions, where it deliberated upon and considered a variety of matters including the financial results, major investments, strategic decisions, the business plan and direction of the Group.

The Board receives documents on matters requiring its consideration prior to and in advance of each meeting. The Board papers are comprehensive and encompass both quantitative and qualitative factors so that informed decisions are made. All proceedings from the Board meetings are minuted.

Details of Directors' attendance at Board Meetings held during the financial year ended 31 December 2003 are as follows:

Name of Directors	No. of Meetings Attended
Dato' Megat Abdul Rahman bin Megat Ahmad	4/4
Koon Poh Ming	4/4
Dato' Koon Poh Keong	3/4
Koon Poh Weng	4/4
Koon Poh Kong	3/4
Koon Poh Tat	4/4
Kuan Shin @ Kuan Nyong Hin	2/4
Mohamad Faiz bin Abdul Hamid	4/4
Loo Lean Hock	4/4
Tan Heng Kui	3/4
Kuan Pek Seng (Alternate Director to Kuan Shin @ Kuan Nyong Hin)	NA



corporate governance statement

BOARD COMMITTEES

The Board delegates certain responsibilities to the Board Committees, as follows:

Board Committees	Key Functions
Audit Committee	Explained on pages 15 to 17 of this Annual Report
Executive Committee	Oversees all pertinent operational issues
Remuneration Committee	Explained on pages 24 to 25 of this Annual Report
Nomination Committee	Explained on pages 23 to 24 of this Annual Report

All committees have written terms of reference and operating procedures and the Board receives reports of their proceedings and deliberations. The Chairman of the various committees will report to the Board on the outcome of the Committee meetings and such reports are incorporated in the Minutes of the Board Meetings. These committees are formed in order to enhance business and operational efficiency as well as efficacy.

BOARD BALANCE

As at the date of this Statement, the Board consists of a Non-Independent Non-Executive Chairman, an Executive Vice Chairman, a Group Chief Executive Officer, three (3) Executive Directors, three (3) Independent Non-Executive Directors, a Non-Executive Director and an Alternate Director, who is also a Non-Executive Director. A brief profile of each Director is presented on pages 10 to 13 of this Annual Report.

There is also balance in the Board with the presence of Independent Non-Executive Directors possessing the calibre necessary to carry sufficient weight in Board decisions. Although all the Directors have equal responsibility of the Company's operations, the role of these Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and examined, and taking account of the long term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Company conduct business.

The Non-Executive Directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. Together with the Executive Directors who have in-depth knowledge of the business, the Board constituted of individuals who are committed to business coupled with integrity and professionalism in all its activities.

There is a clear division of responsibilities at the head of the Company to ensure a balance of authority and power. The Board is led by Dato' Megat Abdul Rahman bin Megat Ahmad as the Non-Independent Non-Executive Chairman and the executive management of the Company is led by Dato' Koon Poh Keong, the Group Chief Executive Officer.

The roles of the Chairman and the Group Chief Executive Officer are clearly defined in their individual position descriptions. The Chairman is responsible for running the Board's and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board's decisions. The Group Chief Executive Officer is responsible for the day-to-day management of the business as well as the implementation of Board's policies and decisions. The Code recommends the appointment of a Senior Independent Non-Executive Director to whom concerns may be conveyed. As explained in the compliance statement below, the Board has not appointed such person to fulfil that role, given

corporate governance statement

the strong independent element on the Board, with a recognised Independent Non-Executive Chairman, Dato' Megat Abdul Raman bin Megat Ahmad, whose role is separated from the Group Chief Executive Officer.

The Board is satisfied that the current Board composition fairly reflects the interests of minority shareholders in the Company.

SUPPLY OF INFORMATION

The Board recognises that the decision making process is highly contingent on the strength of information furnished. As such, Directors have unrestricted access to any information pertaining to the Company.

The Chairman plays a key role in ensuring that all Directors have full and timely access to information with Board papers circulated at least five (5) working days in advance of Board meetings. This ensures that Directors have sufficient time to appreciate issues deliberated at the Board meetings and expedites the decision making process. A comprehensive balance of financial and non-financial information is encapsulated in the papers covering strategic, operational, regulatory, marketing and human resource issues.

Every Director has also unhindered access to the advice and services of the Company Secretary. The Board believes that the current Company Secretaries are capable of carrying out their duties to ensure the effective functioning of the Board while the terms of appointment permit their removal and appointment only by the Board as a whole.

The Audit Committee and Executive Committee play a pivotal role in channelling pertinent operational and assurance related issues to the Board. Both of the Committees function as a filter to ensure that only pertinent matters are tabled at the Board level. There is also a formal procedure sanctioned by the Board, whether as a full Board or in their individual capacity, for Directors to obtain independent professional advice at the Company's expense.

Detailed periodic briefings on the industry outlook and Company performance are also conducted for the Directors to ensure that the Board is well informed on the latest market and industry trends.

APPOINTMENT TO THE BOARD

Nomination Committee

The Nomination Committee comprised the following members during the financial year ended 31 December 2003:

Dato' Megat Abdul Rahman bin Megat Ahmad	• Chairman, Non-Independent Non- Executive Director
Mohamad Faiz Bin Abdul Hamid	• Independent Non-Executive Director
Loo Lean Hock	• Independent Non-Executive Director

The Nomination Committee consists entirely of Non-Executive Directors. The Nomination Committee is empowered by the Board and its terms of reference to bring to the Board recommendations as to the appointment of new Directors. The Nomination Committee also systematically assesses the effectiveness of the Board, the Nomination Committee and the contribution of each individual Director on an annual basis.

The Nomination Committee also keeps under review the Board structure, size and composition.

The Nomination Committee held one (1) meeting during the financial year ended 31 December 2003.



corporate governance statement

APPOINTMENT PROCESS

The Board through the Nomination Committee's annual appraisal believes that the current composition of the Board brings the required mix of skills and core competencies required for the Board to discharge its duties effectively.

The Board appoints its members through a formal and transparent selection process, which is consistent with the Articles of Association of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the Nomination Committee. The Nomination Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

DIRECTORS' TRAINING

The Directors will continue to attend relevant training courses not only to comply with the Listing Requirements of Bursa Malaysia Securities Berhad but also to further enhance their skills and knowledge to enable them to discharge their responsibilities more effectively.

RE-ELECTION

The Articles of Association of the Company provide that at least one-third of the Board is subject to retirement by rotation at each Annual General Meeting ("AGM") and in ascertaining the number of Directors to retire, the Company shall ensure that all Directors shall retire at least once in every three (3) years. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-election. A retiring Director is eligible for re-election. This provides an opportunity for shareholders to renew their mandates. The re-election of each Director is voted on separately.

REMUNERATION COMMITTEE

The Remuneration Committee comprises two Non-Executive Directors and one Executive Director with Dato' Megat Abdul Rahman bin Megat Ahmad as the Chairman. The Committee is responsible for recommending the remuneration framework for Directors as well as the remuneration packages of Executive Directors to the Board. None of the Executive Directors participated in any way in determining their individual remuneration.

Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decisions in respect of his individual remuneration.

The members of the Remuneration Committee are as follows:-

Non-Executive Directors

Dato' Megat Abdul Rahman bin Megat Ahmad (Chairman)
Mohamad Faiz bin Abdul Hamid

Executive Director

Koon Poh Ming

corporate governance statement

The Remuneration Committee held one (1) meeting during financial year ended 31 December 2003.

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company who served during the financial year ended 31 December 2003 are as follows:

Category	Fees (RM '000)	Salaries (RM '000)	Benefits in kind (RM '000)
Executive	–	1,288	–
Non - Executive Directors	114	–	–

The number of Directors of the Company who served during the financial year ended 31 December 2003 and whose income from the Group are as follows:

	Executive	Non-Executive	Total
RM50,000 and below	–	5	5
RM50,001 – RM100,000	–	–	–
RM100,001 – RM150,000	–	–	–
RM150,001 – RM200,000	–	–	–
RM200,001 – RM250,000	3	–	3
RM250,001 – RM300,000	2	–	2

The Company does not disclose each director's remuneration separately as required by the Code as the Board is of the view that the disclosure of the remuneration bands of the Company's Directors is sufficient.

RELATIONSHIP WITH SHAREHOLDERS

The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving shareholders as clear and complete picture as possible of the Company's performance and position.

The key element of the Company's dialogue with its shareholders is the opportunity to gather views of, and answer questions from, both private and institutional shareholders on all issues relevant to the Company at the AGM. It has been the Company's practice to send the Notice of the AGM and related papers to shareholders at least twenty-one (21) days before the meeting. At the AGM, the shareholders are encouraged to ask questions both about the resolutions being proposed or about the Group's operations in general. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholders with a written answer after the AGM. The Chairman of the Board also addresses the shareholders on the review of the Group's operations for the financial year and outlines the prospects of the Group for the subsequent financial years. Additionally, a press conference is held immediately after the AGM where the Chairman advises the press of the resolutions passed, and answers questions on the Group. The Group Chief Executive Officer and the Executive Directors are also present at the press conference.



corporate governance statement

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly results to shareholders as well as the Chairman's Statement and review of operations in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

Directors' Responsibility Statement In Respect Of The Preparation Of The Audited Financial Statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Company and of the Group as at the end of the accounting period and of their profit or loss and cash flows for the period then ended. In preparing the financial statements, the Directors have ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates.

The Directors also have a general responsibility for taking such steps as is reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Statement On Internal Control

The Statement on Internal Control furnished on pages 27 to 28 of the Annual Report provides an overview on the state of internal controls within the Group.

Relationship With The Auditors

Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's terms of reference as detailed on page 15 to 16 of the Annual Report.

A summary of the activities of the Audit Committee during the year, including the evaluation of the independent audit process, are set out in the Audit Committee Report on page 17 of the Annual Report.

The Company has complied throughout the financial year with all the best practices of corporate governance set out in Part 2 of the Code, except for Best Practice AAVII, Nomination of a Senior Independent Non-Executive Director, and Best Practice BIII – Disclosures on remuneration of Directors.

statement of internal control

INTRODUCTION

In accordance with Paragraph 15.27 (b) of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”), the Board of Directors of public listed companies are required to include in their annual report a ‘statement about the state of internal control of the listed issuer as a group’. The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders’ investments and the group’s assets. Set out below is the Board’s Internal Control Statement, which has been prepared in accordance with the “Statement on Internal Control: Guidance to Directors of Public Listed Companies” (the “Guidance”).

BOARD RESPONSIBILITY

The Board is committed to maintaining both a sound system of internal control and the proper management of risks throughout the operations of the Group in order to safeguard shareholders’ investment and assets of the Group. The Board acknowledges that it is ultimately responsible for the Group’s system of internal controls which includes the establishment of an appropriate control environment and framework, including financial, operational and compliance controls and risk management, as well as reviewing its adequacy and integrity on an ongoing basis. It should be noted, however, that due to the inherent limitations in any system, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. In addition, it should be noted that any system can provide only reasonable, and not absolute, assurance against material misstatement or loss.

INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT FRAMEWORK

The Audit Committee has engaged the services of external consultants to assess the adequacy and effectiveness of the internal control system. The same external consultants have also been appointed to develop a risk management framework. The risk management framework is anticipated to be completed in the next financial year. The Audit Committee has full access to the whole audit process, from the annual audit plan up to the audit findings and reporting. The details on the Internal Audit function are further explained on page 17 of this Annual Report. The Management is responsible for ensuring that corrective actions are taken within the required time frame on reported weaknesses.



statement of internal control

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from risk management and internal audit, the other key elements of the Group's internal control systems are described below:

- A distinct management structure including well-defined lines of responsibilities and level of authorities are in place for all business operating units;
- The Company and two of its subsidiaries have ISO 14001, MS ISO 9001:2000 and OHSAS 18001:1999 accreditation for their operational processes;
- Review of all proposals for material capital and investment acquisitions by the Management prior to the review and approval by the Board of Directors;
- Regular and comprehensive information provided to Management, covering financial performance as well as key performance indicators, such as cash flow performance, product sales analysis and operating cost analysis. These performance reports are benchmarked against budget;
- Quarterly monitoring of results and financial position by the Board;
- Regular visits to business operating units by members of the Board and the Management team;
- Quarterly review of Group related party transactions by the Audit Committee.

Weaknesses

A number of minor internal control weaknesses were identified during the period, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require mention in the Group's annual report. The Group acknowledges that the documentation of its processes and internal controls put in place to mitigate the risks encountered by the Group may be improved.

Press Metal Berhad



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Branch in Johor Darul Takzim

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Taman Johor Jaya
81100 Johor Bahru
Johor Darul Takzim
Malaysia
Tel:607 354 1355
Fax: 607 354 0040



On 13 May 1986, Press Metal Berhad was incorporated under the name of Press Aluminium Industries Sdn Bhd. It was converted into a public company on 21 January 1993 and subsequently listed on the Second Board of the Kuala Lumpur Stock Exchange on 4 August 1993. The Company's listing and quotation of its entire issued and paid-up share capital was transferred to the Main Board of the Kuala Lumpur Stock Exchange on 11 August 1999.





PRESS METAL BERHAD
(Company No. 153208-W)



Press Metal Berhad

When Press Metal was listed in 1993, it had only two subsidiaries. It now has a stable of 6 subsidiaries and a listed group of associate companies with activities ranging from trading, contracting, fabricating and installation of aluminum and stainless steel products, curtain wall cladding system, project and property development and environmental engineering. Recently, the factory in Jalan Kapar, Klang is equipped with high-tech equipment, which is constantly being upgraded to achieve maximum production efficiency and products of the highest consistent quality. It is now one of the largest producers of aluminium extrusion in Malaysia.

EXTRUSION DIVISION

Starting from its humble beginnings with just one press, today it has 5 extrusion presses ranging from 660MT to 2,200MT. The company is now capable of producing 25,000 MT of extrusions per annum. In the quest for excellence, an all new line consisting of an UBE 2000 US TON press, a state-of-the-art material handling system from the USA complete with double pullers, an automatic stretcher and a cutting saw as well as a US made billet heater with a log shear.

From producing just simple aluminium angles and ceiling tees, Press Metal is now capable of producing even the most complicated multi-hollows up to 250mm in diameter for various engineering and industrial applications in the building and construction, transportation, furniture and electrical industries.

TOOL & DIES DIVISION

Complementary to producing standard profiles, Press Metal manufactures shapes that are exclusively in accordance with individual customer's specifications.

The in house tool & dies division is equipped with the latest precision CNC wire cut, EDMs and machine centre facilities supported by a special CAD-CAM computer programme. The dies shop is capable of producing 300 high quality dies per month to ensure our products are of the highest quality both for the local and export markets.

SURFACE FINISHING DIVISION

In order to add value to aluminium extrusions, the surface are treated for aesthetic and protection. In Press Metal, we have both anodizing and powder coating facilities to cater to these values added needs of the customers.

The powder coating facility can cater for an almost unlimited spectrum of colour finishes to suit any requirement. The facility is capable of producing up to 4,000MT per annum of aluminium extrusions suitable for extreme weather conditions in architectural applications.



Press Metal Berhad



In December 2003, Press Metal Berhad has expanded its new modern anodizing line capable of producing 14,400 metric ton per annum. This additional capacity can give Press Metal a combined anodizing capacity of 24,400 metric ton per year. The new anodizing line is capable of producing the natural anodize, medium bronze, and light bronze, dark bronze and black colour, up to 25 microns anodic, film thickness. There is also additional new finishes added to these lines namely the chemical brightening process. The chemical brightening process is capable of producing bright silver, bright gold and matt gold finish. The new line also capable to anodize extrusion material up to 7.0 meter length.





PRESS METAL BERHAD
(Company No. 153208-W)



Press Metal Berhad

BILLET CASTING DIVISION

Press Metal has its own billet casting division which uses the latest state-of-art dual-jet AirSlip casting technology from Wagstaff, USA complete with the Foseco, USA Spinning Nozzle Inert Filtration ("SNIF") system, which is an on-line degassing facility. These billets are then homogenised to improve their performance qualities. To ensure the alloys meet the specifications of the highest consistent quality, they are subjected to strict quality control procedures utilising an emission spectrometer, ultrasound fault detector and optical microscope.

The billet casting division has a capacity of 70,000 MT per annum and capable of producing billets up to 8 inches in diameter for Press Metal's own presses and for sale locally and abroad.

Press Metal is proud to be the first aluminium extruder in Malaysia to be awarded the International recognised and prestigious ISO 14001 from TUV Anlagentechnik GmbH of Germany in 1998 and the MS ISO 9002 certificate from SIRIM in 1993. Quality as well as environmental remains the main emphasis in all Press Metal production. Press Metal not only strives to maintain both the ISO 14001 and MS ISO 9002 standards but aims to be producing world class quality aluminium in order to meet world standard. In the year 2001, again Press Metal proud to be the first aluminium extruder in Malaysia to be awarded the OHSAS 18001, the Occupational, Health and Safety Management System, from TUV Anlagentechnik GmbH of Germany. In September 2003, Press Metal Berhad has been awarded the ISO9001:2000 quality management system to replace the MS ISO9002.

Press Metal intends to make its presence felt and make a mark on the world aluminium stage. It presently exports to markets, which include Japan, Australia, Hong Kong, Macau, Mauritius, Sri Lanka, Singapore, South Africa and Germany.

Press Metal's high quality products have been installed on numerous prestigious buildings both locally and overseas. Press Metal can now be accessed and contacted on the World Wide Web. The URL website for Press Metal is pressmetal.com.

ACE Extrusion Sdn. Bhd.

Ace Extrusion Sdn. Bhd. (ACE), formerly known as Alcom Extrusion Sdn. Bhd., is principally involved in the manufacturing and trading of aluminium extrusion products. During the financial year, Press Metal Berhad had acquired the company from Aluminium Company Of Malaysia as part of the expansion plans.

As a high quality extrusion products manufacturer and one of the market leaders in the industry, the Company has established a strong distribution network and stable customer base, for both local and overseas market. Most of the customers recognize ACE's products to be superior in quality and performance, which has allowed ACE to command a premium in its price for its products and developing export opportunity.

Currently, approximately 70% of the Company output is for architectural applications, where the Company has a substantial competitive advantage over its competitors due to its proven performance, good reputation for quality, system support expertise and superior paint capabilities. Owing to its strong performance, ACE virtually dominates the high-end commercial curtain wall market in Malaysia. Project references include:

- KLCC Petronas Twin Towers, the world's tallest twin towers;
- 77-storey Menara Telekom;
- KLIA main terminal building, one of the world's most futuristic airports.

The balance of its business segments goes into various sectors such as electrical & electronics, consumer durables, machinery & equipment, agricultural, transportation and construction.

The existing extrusion plant is located at an industry land with a land size of 43,000 sq metres, in Petaling Jaya. The factory is a fully integrated plant completed with re-melt facilities, die manufacturing, extrusion presses, anodizing and paint line facilities. The facility is capable to produce up to 10,000 MT per annum and is ISO 9001-2000 certified.

ACE EXTRUSION SDN BHD
(Company no 483049-P)
(formerly known as Alcom Extrusion Sdn. Bhd.)

Lot 8, Jalan Universiti,
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 Malaysia.
 Tel: 603-7956 1588
 Fax: 603-7957 4940/1706



PRESS METAL BERHAD
(Company No. 153208-W)



Angkasa Jasa Sdn. Bhd.

The marathon of development with remarkable acceleration, aggressive timetable and tight dateline truly needs true design and detail solution to ensure operation advancement therefore at Angkasa we are reinventing professionalism toward the stainless steel and aluminium fitout system industry. We realise success in a competitive market is achievable only by productivity utilising the advantages of high technology tools and machineries, advance information technology is also an essential. With a dedicated team of system designer, we design, engineer and develop cost effective, innovative and versatile system solution that fully interact and coordinate with other trades during construction without compromising on stringent building by law. Our distinctive project management team realizes that better quality better timing will ensure our reputation remains solid just like the quality and enhance performance product we built.

Customer services and satisfaction shall continue to remain our priority and combined with an extensive and continued research and development programme we intend to remain at the forefront of our industry. Each carefull step on progress is actually a line drawn for the future and to ensure that operation advancement we are unbending to provide our excellent standards and services to all our projects. Putrajaya 4G2, Kementerian Sains Teknologi Dan Alam Sekitar, Putrajaya point fixed glazing with cross braced stainless steel tension rod system. Putrajaya 3G2, Majlis Perbandaran Putrajaya, Putrajaya – decorative stainless steel fin system to pintu gerbang with observation deck glazing system.

Putrajaya Parcel Z, commercial and shopping complexes mall Putrajaya customised aluminium storefront glazing system, integrated glazing and cladding system to beacon, automatic entrance sliding door system, artistic expressed sunshade system, engineered aluminium ventilation louver system, high level gable end glazing system and stainless steel security balustrading system. The Kuala Lumpur convention centre internal aluminium and glazing system for lift lobby, bubble lift enclosure and illuminated glass wall, glass steel and stainless steel integrated staircase and balustrade system, advanced miniaturized stainless steel support technology glazing ceiling system. The curve Damansara aluminium storefront glazing system, aluminium louver system, sun control aluminium and glazing canopy system roof level aluminium and glazing skylite system.

Angkasa Jasa Sdn. Bhd. incorporated 20 years ago, specializes in exterior and interior architectural stainless steel and aluminium fitout systems.

ANGKASA JASA SDN. BHD.

(Company No: 110854-M)

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Tel: 603-90752136
Fax: 603-90752139
Website URL: www.angkasajasa.com
E-mail: ajsb@angkasajasa.com

Press Metal Aluminium (Australia) Pty. Ltd.



PMAA, a 70% owned subsidiary of Press Metal Berhad, warehouses and distributes aluminium extrusions and related products in the three major Eastern States of Australia. In August 2003, a modern warehouse facility was opened in Melbourne with container unloading facilities, the same as in Sydney and Brisbane, fulfilling the planned growth strategy for year 2004 and beyond.

The year 2003 saw continued changes in the market with the entry of more competition from Chinese mills but thankfully the committed presence and quality product allowed PMAA to repel most challenges. The ongoing improvements and addition of extra press and finishing capability at Klang will further enhance the ability to service the various commercial, domestic, transport and industrial markets in the growing Australian economy.

“... with all these solid foundations in place we are set to build an even brighter future”, enthused the Australian Managing Director, John Henley-Smith.

Press Metal Aluminium (Australia) Pty Ltd (PMAA) is incorporated in Victoria, Australia on 30 November 1998 as a private limited company under the Corporations Law of Victoria, Australia. PMAA is principally engaged in marketing, retailing and trading of aluminium related material.





PRESS METAL BERHAD
(Company No. 153208-W)



Press Metal Aluminium (Australia) Pty. Ltd.

PRESS METAL ALUMINIUM (AUSTRALIA) PTY LTD

(ACN 085 370 010)

1030-1034 Canley Vale Road, Wetherill Park 2164, New South Wales, Australia

Tel: 00-612 9756 5555

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E-mail: pmansw@pressmetal.com.au

2/22, Eastern Service Road, Stapylton 4207, Queensland, Australia

Tel: 00-617 3382 6640

Fax: 00-617 3382 6244

E-mail: pmaql@pressmetal.com.au

130 Williams Road, Dandenong South 3175, Victoria, Australia

Tel: 00-613 9793 7911

Fax: 00-613 9793 9077

E-mail: pmavic@pressmetal.com.au



Press Metal UK Limited



PRESS METAL UK LIMITED is currently engaged in the marketing and distribution of standard and custom designed aluminium extrusion and down stream activities for the United Kingdom market. Strategically located in the central area of west Midlands, PMUK has great advantages to provide efficient stockholding and delivery throughout the United Kingdom. With the increasing demand for aluminium extrusions profiles in a wide range of applications, the company is poised for greater growth and the contribution to the group performance will be greatly enhanced.

Press Metal UK Limited (PMUK) is incorporated in United Kingdom on 24 November 1998 as a private limited company under the Companies Act, United Kingdom PMUK is principally engaged in marketing aluminium products.

PRESS METAL (UK) LIMITED

(Company No: 3653082)

Dale Street, Bilston,
West Midlands, WV14 7JU,
United Kingdom

Tel: 00-44-1902-498-867

Fax: 00-44-1902-495-567

E-mail: mok-seng@pressmetalltd.fsnet.co.uk





PRESS METAL BERHAD
(Company No. 153208-W)



PMB Recycling Management Sdn. Bhd.

PMB Recycling Management Sdn. Bhd. the sole company in Malaysia to acquire the Swedish technology, Akzo Nobel Group of companies in 1999 to make use of the aluminium sludge (N151) from the anodizing plant for the manufacturing of Polyaluminium Chloride (PAC). The aluminium sludge is a scheduled waste, it is controlled by the Environmental Quality (Scheduled Wastes) Regulations 1989. At present, the aluminium sludge can only be sent to the Integrated Scheduled Waste Management Centre in Bukit Nanas, Negeri Sembilan for disposal.

With the set up of the PAC manufacturing plant, the company collects the aluminium sludge from several local anodizing plant for the manufacturing of PAC and it also helps the Malaysian government to materialize the policy of creating a cleaner and healthier environment for the future generation.

PMB Recycling Management Sdn. Bhd. (PMBR) was incorporated on 10 April 1996. The principal activities are to carry on the business of recycling of waste, operation, maintenance, construction of waste recycling projects and trading of waste treatment products and recycling equipment.

PMB RECYCLING MANAGEMENT SDN. BHD.

(Company No: 383245-H)

Lot 6464 Batu 5 ¾, Jalan Kapar, Sementa
42100 Klang
Selangor Darul Ehsan
Malaysia
Tel: 603-32906796
Fax: 603-32906795
E-mail: bipmb@tm.net.my

BI-PMB Waste Management Sdn. Bhd.



First of its kind to cater to treatment to a wide range of electroplating waste, the Common Waste Water Treatment Plant (CWWTP) has not only kept the environment clean but has helped the country to eradicate some of the unpleasant dumping of waste into the rivers.

Since 1998, the treatment plant has been successfully commissioned. The 32 lots in the Bukit Kemuning Electroplating Park ("BKEP") are fully occupied and the electroplaters are benefiting from the lower cost of waste treatment.

BI-PMB Waste Management Sdn. Bhd. was incorporated in September 1990 and assumed its present name in April 1995. The company is a collaboration between Bank Industri (M) Berhad and Press Metal Berhad to set up a Common Waste Water Treatment Plant (CWWTP) to treat toxic waste discharged by the electroplaters in the Bukit Kemuning Electroplating Park (BKEP).

BI-PMB WASTE MANAGEMENT SDN. BHD.

(Company No: 204292-D)

Lot 6464 Batu 5 ¾, Jalan Kapar, Sementa
42100 Klang
Selangor Darul Ehsan
Malaysia
Tel: 603-32906796
Fax: 603-32906795
E-mail: bipmb@tm.net.my





PRESS METAL BERHAD
(Company No. 153208-W)



PMB Spectrum Sdn. Bhd.

The company is a joint venture between Press Metal Berhad and Central Spectrum (M) Sdn. Bhd. and is currently developing about 105 acres of industrial land located next to Westport in Pulau Indah.

Having completed and sold Phase 1 successfully, the company has embarked on Phase 2 of the development. With the change in current economic environment and increase in demand for vacant industrial land, the company has strategized to convert all its terrace factories and semi-detached factories to industrial lots to meet this demand. This change will benefit the company through cost reduction and increase in revenue.

PMB Spectrum Sdn. Bhd. (PMBS) was incorporated on 29 August 1996. The principal activity of the company consists of development of industrial parks with common wastewater treatment plant facilities and other development projects.

PMB SPECTRUM SDN. BHD.

(Company No: 400200-U)

Lot 6464 Batu 5 ½, Jalan Kapar, Sementa
42100 Klang
Selangor Darul Ehsan
Malaysia
Tel: 603-32906796
Fax: 603-32906795
E-mail: bipmb@tm.net.my





financial statement

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directors' report for the year ended 31 december 2003

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2003.

Principal activities

The Company is principally engaged in manufacturing and marketing of aluminium products, whilst the principal activities of the subsidiaries are as stated in Note 3 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Net profit for the year	15,303	31,299

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid a final dividend of 3.0% tax exempt totalling RM1,860,466 in respect of the year ended 31 December 2002 on 15 August 2003.

The final dividends recommended by the Directors in respect of the year ended 31 December 2003 are:

- i) 2% tax exempt amounting to RM1,266,291
- ii) 2% less tax amounting to RM911,730

Directors of the Company

Directors who served since the date of the last report are:

Director

Dato' Megat Abdul Rahman bin Megat Ahmad
Koon Poh Ming
Dato' Koon Poh Keong
Kuan Shin @ Kuan Nyong Hin
Mohamad Faiz bin Abdul Hamid
Koon Poh Weng
Koon Poh Kong
Koon Poh Tat
Loo Lean Hock
Tan Heng Kui

Alternate

Kuan Pek Seng

directors' report for the year ended 31 december 2003

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM1 each			
	At 1.1.2003	Bought	Sold	At 31.12.2003
Shareholdings in the Company in which Directors have direct interests				
Dato' Megat Abdul Rahman bin Megat Ahmad	5,471,482	-	(2,002,000)	3,469,482
Koon Poh Ming	3,399,530	52,000	-	3,451,530
Dato' Koon Poh Keong	2,231,642	500,000	-	2,731,642
Kuan Shin @ Kuan Nyong Hin	3,025,561	-	(1,020,000)	2,005,561
Mohamad Faiz bin Abdul Hamid	23,733	-	-	23,733
Koon Poh Weng	1,889,008	-	(689,000)	1,200,008
Koon Poh Kong	1,995,199	-	(450,000)	1,545,199
Koon Poh Tat	1,431,000	125,000	-	1,556,000
Loo Lean Hock	1,000	-	(1,000)	-
Tan Heng Kui	14,000	-	-	14,000

Shareholdings in the Company in which Directors have deemed interests

Dato' Megat Abdul Rahman bin Megat Ahmad	36,400	57,200	-	# 93,600
Kuan Shin @ Kuan Nyong Hin	3,339,722	-	(2,799,000)	* 540,722
Koon Poh Weng	95,400	1,000	-	# 96,400
Koon Poh Tat	327,587	-	(261,000)	# 66,587
Kuan Pek Seng	3,339,722	-	(2,799,000)	* 540,722

Shareholdings in associate, PMB Technology Berhad in which Directors have direct interests

Dato' Megat Abdul Rahman bin Megat Ahmad	-	4,000,000	(523,000)	3,477,000
Koon Poh Ming	-	30,000	-	30,000
Mohamad Faiz bin Abdul Hamid	-	5,000,000	(4,900,000)	100,000
Loo Lean Hock	-	40,000	(40,000)	-

Deemed interest in shares held by spouse

* Deemed interest in shares held by virtue of section 6A(4)(c) of the Companies Act, 1965

None of the other Directors holding office at 31 December 2003 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.



directors' report for the year ended 31 december 2003

The Directors' interests in warrants are as follows:

	Number of warrants of RM1 each			
	At 1.1.2003	Bought	Sold	At 31.12.2003
Warrants in Press Metal Berhad				
Direct interest				
Dato' Megat Abdul Rahman bin Megat Ahmad	2,464,600	-	-	2,464,600
Koon Poh Ming	451,715	-	-	451,715
Dato' Koon Poh Keong	387,721	-	(4,800)	382,921
Mohamad Faiz bin Abdul Hamid	7,806	-	-	7,806
Koon Poh Weng	624,268	-	(61,000)	563,268
Koon Poh Kong	259,200	-	-	259,200
Indirect interest				
Dato' Megat Abdul Rahman bin Megat Ahmad	27,000	8,800	-	35,800 **
Kuan Shin @ Kuan Nyong Hin	176,919	-	(176,000)	919 ##
Koon Poh Weng	35,397	-	(34,800)	597 **
Koon Poh Kong	95,400	7,000	-	102,400 **
Kuan Pek Seng	176,919	-	(176,000)	919 ##

** Deemed interest in warrants held by spouse

Deemed interest in warrants held by virtue of Section 6A(4)(c) of the Companies Act, 1965.

The options granted to the Directors pursuant to the Employees' Share Option Scheme are set out below:

	Number of options over ordinary shares of RM1 each			
	At 1.1.2003	Granted	Exercised	At 31.12.2003
Koon Poh Ming	600,000	-	-	600,000
Dato' Koon Poh Keong	600,000	-	-	600,000
Koon Poh Weng	500,000	-	(200,000)	300,000
Koon Poh Kong	500,000	-	-	500,000
Koon Poh Tat	500,000	-	(200,000)	300,000

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business and consultancy fees paid to a Director.

There were no arrangements during and at the end of the financial year, which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of options pursuant to the Employees' Share Option Scheme.

directors' report for the year ended 31 december 2003

Issue of shares and debentures

There were no changes in the issued and paid up capital of the Company during the year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the year apart from the issue of options pursuant to the Employees' Share Option Scheme.

Pursuant to the Employees' Share Option Scheme (the "Scheme") which became effective on 6 June 2002, options to subscribe for up to 6,201,556 ordinary shares of the Company are available to eligible employees of the Group.

The salient features of the scheme are as follows:

- (i) eligible employees are those who have been confirmed in writing as an employee of the Group for at least one (1) year of continuous service before the date of the offer and an eligible Director is a full-time executive Director of the Group.
- (ii) the option is personal to the grantee and is non-assignable.
- (iii) the option price shall be determined by the average of the mean market quotation of the Company's ordinary shares as shown in the daily official list issued by the Kuala Lumpur Stock Exchange for the five trading days preceding the respective dates of the offer in writing to the grantee or at par value of the ordinary shares of the Company, whichever is higher.
- (iv) the options granted may be exercised on any working day between 6 June 2002 and 5 June 2007 upon giving notice in writing to the Company.
- (v) the options granted may be exercised according to the following scale in respect of a maximum of the following :

Number of Options Granted	Percentage of Options Exercisable				
	Year 1	Year 2	Year 3	Year 4	Year 5
6,201,556	20%	20%	20%	20%	20%

Options exercisable in a particular year but not exercised can be carried forward to the subsequent years subject to the time limit of the scheme.

The outstanding options offered to take up unissued ordinary shares of RM1.00 each and the option price are as follows:

Number of options over ordinary shares of RM1.00 each						
Date of Offer	Option Price	At 1.1.2003	Lapsed due to		Exercised	At 31.12.2003
			Granted	resignation		
6.6.2002	RM1.05	6,201,556	-	-	(1,298,000)	4,903,556

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.



directors' report for the year ended 31 december 2003

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

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) 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, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

In the opinion of the Directors, except for the loss and gain on disposal of subsidiaries and associate respectively and allowance for diminution in value of investment in subsidiaries as disclosed in the financial statements, the results of the operations of the Group and of the Company for the financial year ended 31 December 2003 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

Koon Poh Ming

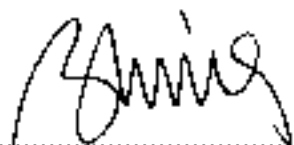
Dato' Koon Poh Keong

Kuala Lumpur,
Date: 23 April 2004

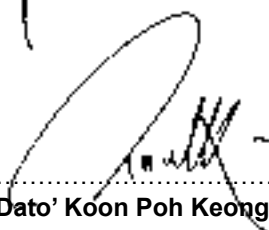
statement by directors pursuant to section 169(15) of the companies act, 1965

In the opinion of the Directors, the financial statements set out on pages 49 to 88 are 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 the state of affairs of the Group and of the Company at 31 December 2003 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:



.....
Koon Poh Ming



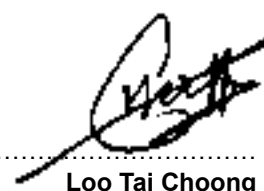
.....
Dato' Koon Poh Keong

Kuala Lumpur,
Date: 23 April 2004

statutory declaration pursuant to section 169(16) of the companies act, 1965

I, **Loo Tai Choong**, the officer primarily responsible for the financial management of Press Metal Berhad, do solemnly and sincerely declare that the financial statements set out on pages 49 to 88 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 23 April 2004.



.....
Loo Tai Choong

Before me:



report of the auditors to the members of press metal berhad

We have audited the financial statements set out on pages 49 to 88. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of 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 our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are 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 state of affairs of the Group and of the Company at 31 December 2003 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 3 to the financial statements and we have considered their financial statements and the auditors' reports 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.

KPMG

Firm Number: AF 0758
Chartered Accountants

Hew Lee Lam Sang

Partner
Approval Number: 1862/10/05(J)

balance sheets

at 31 december 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Property, plant and equipment	2	143,695	139,011	103,888	98,999
Investments in subsidiaries	3	-	-	20,038	23,728
Investment in associate	4	16,711	-	11,812	-
Investments in quoted shares		387	387	-	-
Land held for development	5	12,038	18,642	-	-
Goodwill	6	2,899	3,517	-	-
Current assets					
Development work-in-progress	7	4,301	5,616	-	-
Inventories	8	39,997	41,323	20,031	19,781
Trade and other receivables	9	146,593	154,732	146,840	116,190
Tax recoverable		181	652	135	-
Cash and cash equivalents	10	9,969	10,248	5,073	997
		201,041	212,571	172,079	136,968
Current liabilities					
Trade and other payables	11	52,906	37,342	14,434	9,103
Borrowings	12	132,660	141,589	119,207	105,749
Taxation		2,284	1,906	-	129
		187,850	180,837	133,641	114,981
Net current assets		13,191	31,734	38,438	21,987
		188,921	193,291	174,176	144,714



balance sheets at 31 december 2003

		Group		Company	
	Note	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Financed by:					
Capital and reserves					
Share capital	13	63,314	62,016	63,314	62,016
Reserves		83,214	69,706	85,316	55,812
		146,528	131,722	148,630	117,828
Negative goodwill	14	7,971	-	-	-
Minority shareholders' interests	15	5,247	26,783	-	-
Long term and deferred liabilities					
Borrowings	12	11,113	17,403	7,409	10,336
Deferred tax liabilities	16	18,062	17,383	18,137	16,550
		29,175	34,786	25,546	26,886
		188,921	193,291	174,176	144,714

The financial statements were approved and authorised for issue by the Board of Directors on 23 April 2004.

The notes set out on pages 57 to 88 form an integral part of, and should be read in conjunction with, these financial statements.

income statements for the year ended 31 december 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Revenue	17	446,229	355,708	228,904	185,699
Operating profit	17	29,977	27,981	38,004	13,080
Financing costs	19	(6,989)	(6,855)	(4,843)	(4,488)
Interest income		14	48	14	-
Share of profits of associate		5,027	-	-	-
Profit before taxation		28,029	21,174	33,175	8,592
Tax expense	20	(6,653)	(5,609)	(1,876)	(2,242)
Profit after taxation		21,376	15,565	31,299	6,350
Less: Minority interests		(6,073)	(5,554)	-	-
Net profit for the year		15,303	10,011	31,299	6,350
Basic earnings per ordinary share (sen)	21	24.6	16.1		
Diluted earnings per ordinary share (sen)	21	24.0	16.0		
Dividends per ordinary share (net) (sen)	22	3.4	4.5	3.4	4.5

The notes set out on pages 57 to 88 form an integral part of, and should be read in conjunction with, these financial statements.



statements of changes in equity for the year ended 31 december 2003

Group	Note	Non-distributable		Distributable		Total RM'000
		Share capital RM'000	Share Premium RM'000	Exchange difference account RM'000	Retained Profit RM'000	
At 1 January 2002						
- As previously stated		62,016	-	502	67,053	129,571
- Prior year adjustment		-	-	-	(6,000)	(6,000)
- As restated		62,016	-	502	61,053	123,571
Net profit for the year		-	-	-	10,011	10,011
Dividends						
- 2001 final	22	-	-	-	(930)	(930)
- 2002 interim	22	-	-	-	(930)	(930)
At 31 December 2002		62,016	-	502	69,204	131,722
Issue of shares:						
Exercise of share options		1,298	65	-	-	1,363
Net profit for the year		-	-	-	15,303	15,303
Dividends						
- 2002 final	22	-	-	-	(1,860)	(1,860)
At 31 December 2003		63,314	65	502	82,647	146,528

Note 13

The notes set out on pages 57 to 88 form an integral part of, and should be read in conjunction with, these financial statements.

statements of changes in equity for the year ended 31 december 2003

Company	Note	Non-distributable		Distributable	Total RM'000
		Share capital RM'000	Share premium RM'000	Retained Profit RM'000	
At 1 January 2002					
- As previously stated		62,016	-	57,322	119,338
- Prior year adjustment		-	-	(6,000)	(6,000)
- As restated		62,016	-	51,322	113,338
Net profit for the year		-	-	6,350	6,350
Dividends					
- 2001 final	22	-	-	(930)	(930)
- 2002 interim	22	-	-	(930)	(930)
At 31 December 2002		62,016	-	55,812	117,828
Issue of shares:					
Exercise of share options		1,298	65	-	1,363
Net profit for the year		-	-	31,299	31,299
Dividends					
- 2002 final	22	-	-	(1,860)	(1,860)
At 31 December 2003		63,314	65	85,251	148,630

Note 13

The notes set out on pages 57 to 88 form an integral part of, and should be read in conjunction with, these financial statements.



cash flow statements for the year ended 31 december 2003

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	28,029	21,174	33,175	8,592
Adjustments for:				
Allowance for diminution in value of investments in subsidiaries	-	-	2,440	-
Amortisation of goodwill	686	285	-	-
Amortisation of negative goodwill	(56)	-	-	-
Depreciation	12,646	11,347	9,867	8,465
Dividend income	-	-	(2,145)	-
Interest expense	6,989	6,855	4,843	4,488
Interest income	(14)	(48)	(14)	-
Net (gain)/loss on disposal of property, plant and equipment	(72)	(426)	(64)	33
Loss /(Gain) on disposal of subsidiaries	8,035	-	(16,947)	-
Gain on disposal of shares in associate	(6,423)	-	(6,423)	-
Property, plant and equipment written off	319	54	-	-
Share of profit in associate	(5,027)	-	-	-
Unrealised gain on foreign exchange	(2,874)	(983)	(2,798)	(822)
Operating profit before working capital changes	42,238	38,258	21,934	20,756
Changes in working capital :				
Land held for development	6,604	(1,134)	-	-
Inventories	(10,815)	(16,089)	(250)	(9,245)
Trade and other receivables	(82,695)	(980)	(27,852)	(5,617)
Trade and other payables	55,176	(6,371)	5,331	874
Development work-in-progress	1,315	(412)	-	-
Cash generated from /(used in) operations	11,823	13,272	(837)	6,768
Taxation paid	(1,501)	(4,579)	(553)	(518)
Net cash generated from/(used in) operating activities	10,32	8,693	(1,390)	6,250

cash flow statements for the year ended 31 december 2003

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Cash flows from investing activities				
Purchase of property, plant and equipment	(17,320)	(10,600)	(14,214)	(5,936)
Proceeds from disposal of property plant and equipment	148	1,297	125	40
Interest income	14	48	14	-
Dividend received	-	-	2,145	-
Purchase of additional shares in associate via rights issue	(681)	-	(681)	-
Acquisition of a subsidiary, net of cash acquired (Note 3)	(8,000)	-	-	-
Disposal of subsidiaries, net of cash disposed (Note 3)	(5,837)	-	-	-
Purchase of business by a subsidiary	-	(305)	-	-
Acquisition of additional shares in subsidiaries	-	(57)	-	-
Proceeds from disposal of shares in an associate	13,489	-	13,489	-
Net cash (used in)/generated from investing activities	(18,187)	(9,617)	878	(5,896)
Cash flows from financing activities				
Repayment of hire purchase and finance lease liabilities	(1,548)	(1,361)	(978)	(577)
Dividends paid	(1,860)	(1,860)	(1,860)	(1,860)
Proceeds from term loan	-	-	1,661	-
Proceeds from shares issued under the Employees' Share Option Scheme	1,363	-	1,363	-
Repayment of term loans	(5,969)	(10,812)	(4,742)	(5,454)
Repayment of bills payable	(426,972)	(432,191)	(433,415)	(369,883)
Bills payable drawn down	461,676	453,976	451,172	380,144
Repayment of revolving credit	(3,659)	-	-	-
Interest paid	(6,989)	(6,855)	(4,843)	(4,488)
Dividend paid to minority shareholders	(1,751)	-	-	-
Net cash generated from/(used in) financing activities	14,291	897	8,358	(2,118)
Net increase/(decrease) in cash and cash equivalents	6,426	(27)	7,846	(1,764)
Cash and cash equivalents at beginning of year	(2,553)	(2,526)	(3,967)	(2,203)
Cash and cash equivalents at end of year	3,873	(2,553)	3,879	(3,967)



cash flow statements for the year ended 31 december 2003

i) Cash and cash equivalents

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

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Deposits with licensed banks (excluding deposits pledged)	581	634	581	581
Cash and bank balances	9,378	9,604	4,492	416
Bank overdrafts	(6,086)	(12,791)	(1,194)	(4,964)
	<u>3,873</u>	<u>(2,553)</u>	<u>3,879</u>	<u>(3,967)</u>

ii) Purchase property, plant, and equipment

Included in additions of property, plant and equipment of the Group during the year of RM18,813,000 (2002 - RM13,741,000) are property, plant and equipment acquired by means of hire purchase of RM1,493,000 (2002 - RM3,141,000).

Included in additions of property, plant and equipment of the Company during the year of RM14,817,000 (2002 - RM8,518,000) are property, plant and equipment acquired by means of hire purchase of RM784,000 (2002 - RM2,582,000).

The notes set out on pages 57 to 88 form an integral part of, and should be read in conjunction with, these financial statements.

notes to the financial statements

1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years except for the adoption of the following:

- (i) MASB 27, Borrowing Costs; and
- (ii) MASB 29, Employee Benefits.

Apart from the new policies and extended disclosures where required by these new standards, there is no effect on these financial statements.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively 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 year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or reserve on consolidation as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include the total recognised gains and losses of associates on an equity accounted basis from the date that significant influence effectively commences until the date that significant influence effectively ceases.

Unrealised profits arising on transactions between the Group and its associates which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interests in the associates. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

Goodwill on acquisition is calculated based on the book value of net assets acquired.

(d) Property, plant and equipment

Freehold land and construction-in-progress are stated at cost. All other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.



notes to the financial statements

1. Summary of significant accounting policies (continued)

(d) Property, plant and equipment (continued)

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

Property, plant and equipment acquired under hire purchase arrangements are capitalised at their purchase costs and depreciated on the same basis as owned assets. The total amount payable under hire purchase arrangements are included as hire purchase liabilities.

The interest element of the rental obligation is charged to the income statement over the period of hire purchase.

Depreciation

Freehold land and construction-in-progress are not amortised.

Long term leasehold land is amortised in equal instalments over the unexpired lease period of the leasehold land. The straight line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates:

<i>Leasehold land</i>	<i>Over unexpired period of lease</i>
Buildings	2%
Plant and machinery	4% - 20%
Office equipment	10%
Motor vehicles	10% - 20%
Furniture and fittings	10%
Moulds and dies	15%

(e) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair values of the net identifiable assets acquired and is stated at cost less accumulated amortisation and accumulated impairment losses (refer Note 1(o)).

Goodwill is amortised from the date of the initial recognition over its estimated useful life of 15 years.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in associate.

Negative goodwill represents the excess of the fair values of the net identifiable assets acquired over the cost of acquisition.

Negative goodwill, not exceeding the fair values of the non-monetary assets acquired, is recognised in the income statement over the weighted average useful life of those assets that are depreciable/amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the income statement.

To the extent that negative goodwill relates to expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which are not identifiable liabilities at the date of acquisition, that portion of negative goodwill is recognised in the income statement when the future losses and expenses are recognised.

notes to the financial statements

1. Summary of significant accounting policies (continued)

(f) Finance leases

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the Group's incremental borrowing rate is used.

(g) Investments

Long term investments in subsidiaries and associate are stated at cost in the Company, less impairment loss where applicable.

(h) Land held for development

Land held for development consists of land which is stated at cost and other development expenditure in developing the land for its intended use or sale.

Land held for development is classified as current assets when there is an intention to develop for resale within the short term, and the land is then stated at the lower of cost and market value.

(i) Development work-in-progress

Development work-in-progress consists of land under development, related development expenditure in developing the property for its intended use or sale and profit attributable to development work performed to date less allowance for foreseeable loss and applicable progress billings.

Development work-in-progress (including land cost) is stated as current assets when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

Where the estimated future revenue realisable are lower than the carrying value of the property development project, an allowance for the difference is made to reduce the carrying value of the project. Anticipated losses are provided for in full.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value with first-in-first-out being the main basis for cost.

For finished goods and work-in-progress, cost consists of cost of materials, direct labour and an appropriate proportion of fixed and variable production overheads.

The cost of raw materials and trading goods comprise the original cost of purchase and all direct expenses incurred in bringing the inventories to their present location and condition.

(k) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.



notes to the financial statements

1. Summary of significant accounting policies (continued)

(l) Amount due from contract customers

Amount due from contract customers on construction is stated at cost plus attributable profits less foreseeable losses and progress billings. Cost includes all direct construction costs and other related costs. Where progress billings exceed the aggregate amount due from contract customers plus attributable profits less foreseeable losses, the net credit balance on all such contracts is shown in trade and other payables as amount due to contract customers.

(m) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents, are presented net of bank overdrafts and pledged deposits.

(n) Liabilities

Borrowings and trade and other payables are stated at cost.

(o) Impairment

The carrying amount of assets, other than inventories, assets arising from construction contracts and financial assets (other than investments in subsidiaries and associate), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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

(p) Capitalisation of borrowing costs

Borrowing costs incurred on specific and identifiable borrowings held for development and on properties under development are capitalised.

Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

notes to the financial statements

1. Summary of significant accounting policies (continued)

(q) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(r) Foreign currency translation

i) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

ii) Financial Statements of Foreign Operations

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

The closing rates used in translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows:

	2003	2002
	RM	RM
1GBP	6.74	6.08
1AUD	2.84	2.48
1HKD	0.49	0.50
1SGD	2.23	2.16
1TAKA	-	0.07



notes to the financial statements

1. Summary of significant accounting policies (continued)

(s) Revenue

i) Goods sold and services rendered

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to the proportion of costs incurred to date that reflect services performed bear to the total estimated costs of the transaction. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

ii) Construction contracts

Revenue from fixed price construction contracts is recognised on the percentage of completion method, measured by reference to the proportion that contract costs incurred for contract work performed to date that reflect work performed bear to the total estimated contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

An expected loss on a contract is recognised immediately in the income statement.

iii) Property development

Profit from property development is recognised using the percentage of completion method. Where foreseeable losses are anticipated, full provision for these losses is made in the financial statements.

iv) Dividend income

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

v) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(t) Financing costs

All interest and other costs incurred in connection with borrowings, other than that capitalised in accordance with note 1(p), are expensed as incurred. The interest components of finance lease and hire purchase payments are recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liabilities at the end of each accounting period.

notes to the financial statements

2. Property, plant and equipment

<i>Group Cost</i>	Freehold land RM'000	Freehold building RM'000	Long term leasehold land and building RM'000	Plant and machinery RM'000	Office equipment RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Moulds and dies RM'000	Construction in-progress RM'000	Total RM'000
At 1 January 2003	7,816	20,693	10,577	115,031	8,598	8,911	3,059	33,344	653	208,682
Additions	-	5,862	28	5,230	2,065	1,301	592	3,304	431	18,813
Disposals	-	-	-	(376)	(1)	(284)	-	-	-	(661)
Disposal of subsidiaries	(1,906)	(4,488)	(3,961)	(6,116)	(1,496)	(3,753)	(1,809)	-	(283)	(23,812)
Written off	-	-	-	-	(5)	-	-	-	(317)	(322)
Acquisition of subsidiary	-	-	-	16,027	-	-	-	-	-	16,027
At 31 December 2003	<u>5,910</u>	<u>22,067</u>	<u>6,644</u>	<u>129,796</u>	<u>9,161</u>	<u>6,175</u>	<u>1,842</u>	<u>36,648</u>	<u>484</u>	<u>218,727</u>
<i>Accumulated depreciation</i>										
At 1 January 2003	-	2,104	1,015	37,766	5,029	4,558	1,635	17,564	-	69,671
Charge for the year	-	369	190	5,773	832	839	228	4,415	-	12,646
Disposals	-	-	-	(376)	-	(209)	-	-	-	(585)
Disposal of subsidiaries	-	(619)	(461)	(2,223)	(604)	(1,747)	(1,043)	-	-	(6,697)
Written off	-	-	-	-	(3)	-	-	-	-	(3)
At 31 December 2003	<u>-</u>	<u>1,854</u>	<u>744</u>	<u>40,940</u>	<u>5,254</u>	<u>3,441</u>	<u>820</u>	<u>21,979</u>	<u>-</u>	<u>75,032</u>
<i>Net book value</i>										
At 31 December 2003	<u>5,910</u>	<u>20,213</u>	<u>5,900</u>	<u>88,856</u>	<u>3,907</u>	<u>2,734</u>	<u>1,022</u>	<u>14,669</u>	<u>484</u>	<u>143,695</u>
At 31 December 2002	<u>7,816</u>	<u>18,589</u>	<u>9,562</u>	<u>77,265</u>	<u>3,569</u>	<u>4,353</u>	<u>1,424</u>	<u>15,780</u>	<u>653</u>	<u>139,011</u>
Depreciation charge for the year ended 31 December 2002	<u>-</u>	<u>125</u>	<u>425</u>	<u>5,807</u>	<u>814</u>	<u>849</u>	<u>268</u>	<u>3,059</u>	<u>-</u>	<u>11,347</u>

The cost and carrying value of the long term leasehold land is not segregated from building, as the required records are not available.



notes to the financial statements

2. Property, plant and equipment (continued)

<i>Company Cost</i>	Freehold land RM'000	Freehold building RM'000	Plant and machinery RM'000	Office equipment RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Moulds and dies RM'000	Total RM'000
At 1 January 2003	5,910	11,633	92,017	5,680	2,771	634	33,342	151,987
Additions	-	5,578	3,703	1,411	784	37	3,304	14,817
Disposal	-	-	(376)	-	(75)	-	-	(451)
At 31 December 2003	<u>5,910</u>	<u>17,211</u>	<u>95,344</u>	<u>7,091</u>	<u>3,480</u>	<u>671</u>	<u>36,646</u>	<u>166,353</u>
<i>Accumulated depreciation</i>								
At 1 January 2003	-	1,674	28,700	3,317	1,470	269	17,558	52,988
Charge for the year	-	247	4,327	557	281	40	4,415	9,867
Disposal	-	-	(376)	-	(14)	-	-	(390)
At 31 December 2003	<u>-</u>	<u>1,921</u>	<u>32,651</u>	<u>3,874</u>	<u>1,737</u>	<u>309</u>	<u>21,973</u>	<u>62,465</u>
<i>Net book value</i>								
At 31 December 2003	<u>5,910</u>	<u>15,290</u>	<u>62,693</u>	<u>3,217</u>	<u>1,743</u>	<u>362</u>	<u>14,673</u>	<u>103,888</u>
At 31 December 2002	<u>5,910</u>	<u>9,959</u>	<u>63,317</u>	<u>2,363</u>	<u>1,301</u>	<u>365</u>	<u>15,784</u>	<u>98,999</u>
Depreciation charge for the year ended 31 December 2002	<u>-</u>	<u>231</u>	<u>4,356</u>	<u>541</u>	<u>241</u>	<u>40</u>	<u>3,056</u>	<u>8,465</u>

notes to the financial statements

2. Property, plant and equipment (continued)

Securities

Certain property, plant and equipment costing RM30,201,000 (2002 – RM33,983,000) have been pledged as security for loan facilities as set out in Note 12 to the financial statements.

Assets under hire purchase and finance lease

Property, plant and equipment acquired under finance lease and hire purchase arrangements which are included in the above are as follows:

	Net book value	
	2003 RM'000	2002 RM'000
Group		
Finance lease: Motor vehicle/Office equipment	34	44
Hire purchase: Plant and machinery	2,746	7,928
Motor vehicles	1,071	2,340
	<u>3,817</u>	<u>10,268</u>
Company		
Hire purchase: Plant and machinery	2,713	7,065
Motor vehicles	894	547
	<u>3,607</u>	<u>7,612</u>

3. Investment in subsidiaries

	Company	
	2003 RM'000	2002 RM'000
Unquoted shares, at cost	22,478	23,728
Less: Impairment losses	(2,440)	-
	<u>20,038</u>	<u>23,728</u>



notes to the financial statements

3. Investment in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Effective percentage of ownership	
			2003	2002
Angkasa Jasa Sdn. Bhd.	Malaysia	Contracting and fabrication of aluminium and stainless steel products	100%	100%
PMB Development Sdn. Bhd and its subsidiary	Malaysia	Property development and building and contracting of construction work	100%	100%
PMB Spectrum Sdn. Bhd.	Malaysia	Development of industrial parks with common waste water treatment plant facilities and other development projects	60%	60%
PMB Recycling Management Sdn. Bhd.	Malaysia	Recycling of waste, operation maintenance, construction of waste recycling projects and trading of waste treatment and recycling equipment	100%	100%
Wesama Sdn. Bhd. and its subsidiary	Malaysia	Provision of general drafting services and construction project management	100%	100%
ACE Extrusion Sdn. Bhd.	Malaysia	Manufacturing and trading of aluminium products	100%	-
PMB Marketing Sdn. Bhd. and its subsidiary	Malaysia	Investment holding	100%	100%
PMB Marketing (H.K) Limited *	Hong Kong	Trading of garments and accessories	100%	100%
Press Metal UK Limited *	United Kingdom	Marketing of aluminum products	100%	100%
BI-PMB Waste Management Sdn. Bhd.	Malaysia	Provision of a common waste water treatment plant to treat toxic waste	80%	80%
Press Metal Aluminium (Australia) Pty. Ltd *	Australia	Marketing, retailing and trading of aluminium related materials	70%	70%
Everlast Aluminium (M) Sdn. Bhd. and its subsidiaries	Malaysia	Marketing of aluminium and other products	-	61.57%
Everlast Environmental Management Sdn. Bhd.	Malaysia	Dormant	-	61.57%

notes to the financial statements

3. Investment in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Effective percentage of ownership	
			2003	2002
PMB Central Sdn. Bhd. *	Malaysia	Marketing of gypsum board and other products	-	61.57%
PMB Northern Sdn. Bhd.	Malaysia	Marketing of aluminium and other products	-	61.57%
Everlast Access Technologies Sdn. Bhd. *	Malaysia	Manufacturing and marketing of aluminium and other products	-	61.57%
PMB Eastern Sdn. Bhd. *	Malaysia	Marketing of gypsum boards and other products	-	61.57%
PMB Southern Sdn. Bhd. *	Malaysia	Marketing of aluminium and other products	-	61.57%
PMB Envirex Environmental Engineering Sdn. Bhd.	Malaysia	Carries out environmental engineering projects including construction, turnkey and build operate and transfer of contracts	-	55%
PMB Facade Technology Sdn. Bhd. and its subsidiaries	Malaysia	Design, fabrication and installation of aluminium curtain wall, cladding system and manufacturing and trading of aluminium related products	-	51%
PMB Facade Technology (H.K.) Limited *	Hong Kong	Design, fabrication and installation of aluminium curtain wall, cladding system and other products	-	51%
Unison International (H.K.) Limited *	Hong Kong	Dormant	-	30.6%
PMB Cyberwall Limited *	Hong Kong	Design, fabrication and installation of aluminium curtain wall, cladding system and other products, trading and computer related businesses	-	35.7%
PMB Facade Technology (S) Pte. Ltd. *	Singapore	Supplying, installing and fixing all kinds of furnishing and fixtures and to provide interior decorating consultancy services	-	35.7%
Kai PMB Facade Technology Limited *	Bangladesh	Supplying, manufacturing, fabricating and installing structural glazing and ventilated thermal flow aluminium cladding in buildings	-	26.0%

* Audited by other firms of chartered accountants.



notes to the financial statements

3. Investment in subsidiaries (continued)

Disposal of subsidiaries

Disposal

On 30 September 2003, the Group disposed of

- i) PMB Facade Technology Sdn. Bhd. and its subsidiaries for RM6,933,144 in exchange for 12,605,717 ordinary shares in PMB Technology Berhad ("PMBT"), and
- ii) Everlast Aluminium (M) Sdn. Bhd. and its subsidiaries for RM11,263,528 in exchange for 20,479,141 ordinary shares in PMBT

PMB Facade Technology Sdn. Bhd. and its subsidiaries contributed RM2,971,000 to the consolidated net profit for the year ended 31 December 2002 and RM1,434,000 for the nine months ended 30 September 2003.

Everlast Aluminium (M) Sdn. Bhd. and its subsidiaries contributed RM2,143,000 to the consolidated net profit for the year ended 31 December 2002 and RM2,691,000 for the nine months ended 30 September 2003.

Acquisition

On 16 December 2003, the Group acquired all the shares in ACE Extrusion Sdn. Bhd. for a consideration of RM8,000,000 satisfied by cash. The acquisition was accounted for using the acquisition method of accounting.

Effect of acquisition and disposals

The acquisition and disposals had the following effect on the Group's assets and liabilities as at 31 December 2003.

	Acquisition		Disposals	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	16,027	-	17,115	-
Intangible assets	-	-	(68)	-
	<u>16,027</u>	<u>-</u>	<u>17,047</u>	<u>-</u>
Current assets	-	-	112,447	-
Current liabilities	-	-	(76,000)	-
Long term liabilities	-	-	(1,403)	-
Minority interest	-	-	(25,858)	-
	<u>16,027</u>	<u>-</u>	<u>26,223</u>	<u>-</u>
Net assets	16,027	-	26,223	-
Negative goodwill on acquisition	(8,027)	-	-	-
Loss on disposal	-	-	(8,035)	-
	<u>8,000</u>	<u>-</u>	<u>18,198</u>	<u>-</u>
Consideration paid, satisfied in cash	(8,000)	-	-	-
Consideration on disposal	-	-	18,198	-
Consideration satisfied by issuance of shares in PMBT	-	-	(18,198)	-

notes to the financial statements

3. Investment in subsidiaries (continued)

	(8,000)	-	-	-
Cash acquired/(disposed) of	-	-	(5,837)	-
Net cash outflow	(8,000)	-	(5,837)	-

4. Investment in associate

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Quoted shares	11,812	-	11,812	-
Share of post-acquisition reserves	4,899	-	-	-
	16,711	-	11,812	-
Represented by:				
Group's share of net assets other than goodwill	16,711	-		
Market value of quoted associate	32,858	-		

The associate of the Group is as follows:

Name	Country of incorporation	Principal activities	Effective percentage of ownership	
			2003	2002
PMB Technology Berhad	Malaysia	Investment holding	26.84	-

5. Land held for development

	Group	
	2003 RM'000	2002 RM'000
Long term leasehold land - at cost	7,011	11,386
Development expenditure	5,027	7,256
	12,038	18,642

The land title to the long term leasehold land has not been transferred to the subsidiary's name pending full settlement of the purchase consideration.



notes to the financial statements

6. Goodwill

	Group	
	2003 RM'000	2002 RM'000
Cost		
Opening balance	4,969	4,664
Acquisition of a business by a subsidiary	-	294
Acquisition of additional stake by a subsidiary	-	11
Disposal of subsidiaries	129	-
	<u>5,098</u>	<u>4,969</u>
Amortisation and impairment losses		
Opening balance	1,452	1,167
Amortisation charge for the year	686	285
Disposal of subsidiaries	61	-
	<u>2,199</u>	<u>1,452</u>
Net book value as at 31 December	<u>2,899</u>	<u>3,517</u>

7. Development work-in-progress

	Group	
	2003 RM'000	2002 RM'000
At cost		
Long term leasehold land	3,501	4,376
Development expenditure	800	1,240
	<u>4,301</u>	<u>5,616</u>

The land title to the long term leasehold land has not been transferred to the subsidiary's name pending full settlement of the purchase consideration.

notes to the financial statements

8. Inventories

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
At cost:				
Raw materials	19,311	20,999	11,209	14,289
Work-in-progress	2,545	2,314	2,199	1,793
Finished goods	2,573	10,712	2,930	3,699
Trading goods	8,699	5,810	-	-
Stock-in-transit	6,869	1,488	3,693	-
	<u>39,997</u>	<u>41,323</u>	<u>20,031</u>	<u>19,781</u>

9. Trade and other receivables

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade receivables	119,648	126,767	66,729	60,321
Retention sums	-	7,961	-	-
	<u>119,648</u>	<u>134,728</u>	<u>66,729</u>	<u>60,321</u>
Amount due from contract customers	-	11,480	-	-
Subsidiaries	-	-	57,527	53,569
Related companies	21,095	-	18,484	-
Other receivables, deposits and prepayments	5,850	8,524	4,100	2,300
	<u>146,593</u>	<u>154,732</u>	<u>146,840</u>	<u>116,190</u>

Doubtful debts written off against allowance for doubtful debts of the Group and Company during the year amounted to RM247,000 (2002 - RM3,841,000) and Nil (2002 - RM3,500,000) respectively.

Included in trade receivables of the Group and of the Company are amounts owing from companies in which certain Directors are also shareholders, of RM15,532,847 (2002 - RM18,681,923) and RM15,532,847 (2002 - RM18,681,923) respectively.

Amount due from contract customers

	Group	
	2003 RM'000	2002 RM'000
Cost incurred to date	-	168,979
Attributable profit	-	33,451
	-	202,430
Less: Progress billings	-	(190,950)
	-	<u>11,480</u>



notes to the financial statements

9. Trade and other receivables (continued)

The amount due from subsidiaries are unsecured, interest free and have no fixed terms of repayment.

10. Cash and cash equivalents

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks	591	644	581	581
Cash and bank balances	9,378	9,604	4,492	416
	<u>9,969</u>	<u>10,248</u>	<u>5,073</u>	<u>997</u>

Included in the Group's deposits with licensed banks is RM10,090 (2002 - RM10,040) pledged for banking facilities granted to certain subsidiaries.

11. Trade and other payables

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Trade payables	17,049	19,245	7,122	2,828
Other payables and accruals	18,835	18,097	4,525	4,328
Subsidiaries	-	-	-	1,947
Associate	830	-	830	-
Related companies	16,192	-	1,957	-
	<u>52,906</u>	<u>37,342</u>	<u>14,434</u>	<u>9,103</u>

Included in other payables and accruals of the Group are amounts due to Directors of RM1,000 (2002 - RM7,000) and a corporate shareholder of a subsidiary of RM12,230,308 (2002 - RM10,577,369). These amounts are unsecured, interest free and have no fixed terms of repayment.

12. Borrowings

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Current				
Bills payable (unsecured)	115,419	113,494	112,793	95,036
Bank overdrafts (unsecured)	2,123	12,314	-	4,964
Bank overdraft (secured)	3,963	477	1,194	-
Revolving credit (unsecured)	-	3,659	-	-

notes to the financial statements

12. Borrowings (continued)

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Term loans (unsecured)	2,800	3,159	2,800	2,800
Term loans (secured)	6,863	7,025	1,360	2,040
Hire purchase and finance lease liabilities	1,492	1,461	1,060	909
	<u>132,660</u>	<u>141,589</u>	<u>119,207</u>	<u>105,749</u>

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Non-current				
Term loans (unsecured)	5,244	7,946	5,244	7,946
Term loans (secured)	4,551	7,297	1,321	1,020
Hire purchase and finance lease liabilities	1,318	2,160	844	1,370
	<u>11,113</u>	<u>17,403</u>	<u>7,409</u>	<u>10,336</u>

Bills payable and bank overdrafts

The bills payable and bank overdrafts bear interest at rates ranging from 3.11% to 7% (2002 - 3.05% to 8.30%) per annum.

Term loans

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Loan 1 (secured)	1,020	3,060	1,020	3,060
Loan 2 (secured)	1,661	-	1,661	-
Loan 3 (unsecured)	8,044	10,746	8,044	10,746
Loans of subsidiaries	8,733	11,621	-	-
	<u>19,458</u>	<u>25,427</u>	<u>10,725</u>	<u>13,806</u>

Loan 1 is secured by a debenture and negative pledge on all the current and future assets of the Company and bears interest at 10% (2002 - 10%) per annum. The loan is repayable by 60 monthly instalments commencing in July 1999.

Loan 2 is an Islamic debt facility secured by a property, plant and equipment and bears a yield payable of 3.6% (2002 - Nil) per annum. The loan is repayable by 60 monthly instalments commencing in December 2003.

Loan 3 of the Company is unsecured and bears interest at 1.5% (2002 - 1.5%) per annum over the bank's base lending rate. The loan is repayable by 60 monthly instalments commencing in September 2001.



notes to the financial statements

12. Borrowings (continued)

Term loans of subsidiaries consist of the following:

- (i) Loans amounting to RM3,705,000 (2002 - RM3,728,000) are secured by a corporate guarantee from the Company of up to 80% of the loan amount and charges over the subsidiary's machinery and equipment and another subsidiary's freehold land. The loans bear interest ranging from 7% to 9% (2002 - 7% to 9%) per annum and are repayable by 19 equal quarterly instalments commencing in March 2001 and November 2000 respectively.
- (ii) Loan amounting to RM111,000 (2002 - RM132,000) is secured by a corporate guarantee from the Company and charges over the subsidiary's leasehold land. The loan bears interest at 1.75% (2002 - 1.75%) per annum above the bank's base lending rate and is repayable by 120 equal monthly instalments commencing in July 2000.
- (iii) Loans amounting to RM2,583,000 (2002 - RM3,935,000) are secured by a corporate guarantee from the Company and registered first debenture over the fixed and floating assets of the subsidiary. The loans bear interest at 1.5% (2002 - 1.5%) per annum above the bank's base lending rates and are repayable over 60 and 72 equal instalments of RM101,400 each respectively commencing 30 January 2001.
- (iv) The bridging loan of a subsidiary is secured by a corporate guarantee from the Company and charges over certain of the subsidiary's land held for development, and assignment of all sales proceeds of certain of the subsidiary's land held for development. In the previous year, the old bridging loan was restructured into a three year fixed rate bridging loan. The new bridging loan amounting to RM1,102,000 at 31 December 2003 (2002 - RM2,234,000) bears interest at 6.5% per annum and the interest rate is repriced on a yearly basis.
- (v) Loan amounting to RM1,232,000 (2002 - RM1,233,000) is secured by a charge over the subsidiary's freehold property. The loan bears interest at 2% (2002 - 2%) per annum over the bank base rate and is repayable by 120 instalments commencing November 2002.

Hire purchase and finance lease liabilities are payable as follows:

	Payments 2003 RM'000	Interest 2003 RM'000	Principal 2003 RM'000	Payments 2002 RM'000	Interest 2002 RM'000	Principal 2002 RM'000
Group						
Less than one year	1,671	(179)	1,492	1,706	(245)	1,461
Between one and five years	1,553	(235)	1,318	2,463	(303)	2,160
	<u>3,224</u>	<u>(414)</u>	<u>2,810</u>	<u>4,169</u>	<u>(548)</u>	<u>3,621</u>
Company						
Less than one year	1,171	(111)	1,060	1,024	(115)	909
Between one and five years	998	(154)	844	1,557	(187)	1,370
	<u>2,169</u>	<u>(265)</u>	<u>1,904</u>	<u>2,581</u>	<u>(302)</u>	<u>2,279</u>

notes to the financial statements

13. Share capital

	Group and Company	
	2003 RM'000	2002 RM'000
Ordinary shares of RM1 each:		
Authorised	500,000	500,000
Issued and fully paid		
At 1 January	62,016	62,016
Shares issued under the Employees' Share Option Scheme	1,298	-
At 31 December	<u>63,314</u>	<u>62,016</u>

During the financial year, the issued and paid-up capital of the Company was increased from 62,015,555 ordinary shares of RM1 each to 63,314,555 ordinary shares of RM1 each following the issue of 1,298,000 ordinary shares of RM1 each pursuant to the Employee's Scheme Option Scheme. The new shares were issued and credited as fully paid and rank pari passu in all respects with the existing shares of the Company

The share premium arising from the issue amounted to RM64,900.
The Employees' Share Option Scheme will expire on 5 June 2007.

14. Negative goodwill

	Group	
	2003 RM'000	2002 RM'000
Cost		
Opening balance	-	-
Acquisition of a subsidiary	8,027	-
	<u>8,027</u>	<u>-</u>
Amortisation		
Opening balance	-	-
Amortisation charge for the year	56	-
	<u>56</u>	<u>-</u>
Closing balance	<u>56</u>	<u>-</u>
Net book value as at 31 December	<u>7,971</u>	<u>-</u>

15. Minority shareholders' interests

This consists of the minority shareholders' proportion of share capital and reserves of subsidiaries, net of their share of subsidiary's goodwill on consolidation and amortisation of goodwill charged to the minority shareholders.



notes to the financial statements

16. Deferred taxation

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Deferred tax liabilities	18,137	17,409	18,137	16,550
Deferred tax assets	(75)	(26)	-	-
	<u>18,062</u>	<u>17,383</u>	<u>18,137</u>	<u>16,550</u>

Deferred tax liabilities and assets are offset above where there is a legally enforceable right to set off current tax assets against current tax liabilities.

Movement in deferred tax liabilities during the year are as follows:

	At	Charged to	Disposal	At
	1.1.2003	Income	of	31.12.2003
	RM'000	Statement	subsidaries	RM'000
		(Note 20)		
		RM'000	RM'000	
Group				
Property, plant and equipment	18,763	940	(1,004)	18,699
Others	(1,380)	732	11	(637)
	<u>17,383</u>	<u>1,672</u>	<u>(993)</u>	<u>18,062</u>
Company				
Property, plant and equipment	16,950	806	-	17,756
Others	(400)	781	-	381
	<u>16,550</u>	<u>1,587</u>	<u>-</u>	<u>18,137</u>

No deferred tax has been recognised for the following items:

	Group	
	2003	2002
	RM'000	RM'000
Unutilised tax losses	5,419	2,131
Deductible temporary differences	2,474	3,436
	<u>7,893</u>	<u>5,567</u>

The unutilised tax losses and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

The Group has tax losses carried forward of RM10,898,700 (2002 - 7,610,700) which give rise to the recognised and unrecognised deferred tax assets in respect of unutilised tax losses above.

notes to the financial statements

17. Operating profit

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Revenue - contract revenue	107,062	116,698	-	-
- sale of goods	323,632	238,903	228,904	185,699
- sale of properties	14,717	92	-	-
- services	818	15	-	-
	<u>446,229</u>	<u>355,708</u>	<u>228,904</u>	<u>185,699</u>
Contract costs recognised as an expense	91,723	98,086	-	-
Cost of sales	284,416	201,827	209,120	164,980
Cost of properties sold	7,929	84	-	-
Cost of services	596	-	-	-
	<u>384,664</u>	<u>299,997</u>	<u>209,120</u>	<u>164,980</u>
Gross profit	61,565	55,711	19,784	20,718
Distribution costs	(7,102)	(6,017)	(1,535)	(1,325)
Administration expenses	(16,270)	(14,860)	(5,629)	(5,184)
Other operating expenses	(20,895)	(9,313)	(5,963)	(2,551)
Other operating income	12,679	2,460	31,347	1,422
Operating profit	<u>29,977</u>	<u>27,981</u>	<u>38,004</u>	<u>13,080</u>

Operating profit is arrived at after charging:

Allowance for diminution in value of investment in subsidiaries	-	-	2,440	-
Allowance for doubtful debts	2,035	1,165	140	373
Amortisation of goodwill	686	285	-	-
Bad debts written off	93	261	-	-
Audit fees				
- current year				
- Holding company auditor	69	66	29	21
- Under/(over)provision in prior year	8	(2)	8	-
- Other auditors				
- Malaysia	19	20	-	-
- Overseas	84	80	-	-
Depreciation	12,646	11,347	9,867	8,465



notes to the financial statements

17. Operating profit (continued)

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Operating profit is arrived at after charging (continued):				
Directors' remuneration				
- fees	131	134	116	78
- other emoluments	1,933	1,662	669	536
- benefits-in-kind	-	6	-	6
Preliminary and pre-operating expenses written off	10	6	-	-
Loss on disposal of subsidiaries	8,035	-	-	-
Other receivables written off	-	27	-	-
Rental of equipment and machinery	679	287	186	162
Rental of premises	1,761	1,863	311	199
Property, plant and equipment written off	319	54	-	-

and after crediting:

Allowance for doubtful debts written back	191	208	-	-
Amortisation of negative goodwill	56	-	-	-
Bad debts recovered	220	-	220	-
Dividend income	-	-	2,145	-
Foreign exchange gain (realised)	1,941	584	1,913	492
Foreign exchange gain (unrealised)	2,874	983	2,798	822
Gain on disposal of associates	6,423	-	6,423	-
Gain on disposal of subsidiaries	-	-	16,947	-
Net gain on disposal of property, plant and equipment	72	426	64	-
Income from rental of equipment and machinery	164	46	-	-
Income from rental of premises	218	262	-	-
Impairment of club membership	54	-	-	-

18. Employees information

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Salaries, wages, bonus and SOCSO	12,072	17,817	6,905	6,300
Defined contribution retirement plan	986	1,207	736	684
	13,058	19,024	7,641	6,984

The number of employees (including Directors) of the Group and of the Company at the end of the year was 510 (2002 - 670) and 427 (2002 - 423) respectively.

notes to the financial statements

19. Financing costs

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Interest payable				
Term loans	1,445	1,982	943	1,405
Bills payable	3,532	3,094	3,420	2,652
Revolving credit	-	49	-	-
Hire purchase	136	285	125	75
Bank overdrafts	1,862	895	341	341
Finance leases	-	6	-	-
Others	14	544	14	15
	<u>6,989</u>	<u>6,855</u>	<u>4,843</u>	<u>4,488</u>

20. Tax expense

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Current tax expense				
Malaysian - current	5,033	2,521	653	242
- prior year	(416)	20	(364)	-
Overseas - current	236	996	-	-
- prior year	-	-	-	-
	<u>4,853</u>	<u>3,537</u>	<u>289</u>	<u>242</u>
Deferred tax expense (Note 16)				
Origination and reversal of temporary differences				
- current	1,344	2,072	1,314	2,000
- prior year	328	-	273	-
	<u>6,525</u>	<u>5,609</u>	<u>1,876</u>	<u>2,242</u>
Tax expense on share of profit of associates	128	-	-	-
	<u>6,653</u>	<u>5,609</u>	<u>1,876</u>	<u>2,242</u>



notes to the financial statements

20. Tax expense (continued)

Reconciliation of effective tax rate

		2003		2002
	%	RM'000	%	RM'000
Group				
Profit before taxation		<u>28,029</u>		<u>21,174</u>
Income tax using Malaysian tax rates	28	7,848	28	5,929
Effect of different tax rates in foreign countries	(2)	(576)	(4)	(639)
Effect of changes in tax rates	-	(42)	-	(5)
Non-deductible expense	6	1,848	6	1,370
Non taxable item	(3)	(971)	-	-
Utilisation of business losses	-	-	-	(26)
Utilisation of export allowance	-	-	-	(270)
Utilisation of reinvestment allowance	(5)	(1,522)	(3)	(578)
Other items	-	28	(1)	(192)
Tax expense on share of profit of associate	-	128	-	-
	24	6,741	26	5,589
(Over)/Under provision in prior year	-	(88)	-	20
	<u>24</u>	<u>6,653</u>	<u>26</u>	<u>5,609</u>
Company				
Profit before taxation		<u>33,175</u>		<u>8,592</u>
Income tax using Malaysian tax rates	28	9,289	28	2,406
Non taxable income	(20)	(6,559)	-	-
Non-deductible expense	3	1,360	8	714
Utilisation of reinvestment allowances	(5)	(1,522)	(6)	(578)
Tax exempt dividend	(1)	(601)	-	-
Other items	-	-	(4)	(300)
	5	1,967	26	2,242
Overprovision in prior year	1	(91)	-	-
	<u>6</u>	<u>1,876</u>	<u>26</u>	<u>2,242</u>

Subject to agreement by the Inland Revenue Board,

- (i) the Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 and tax exempt income to frank approximately RM48,318,000 (2002 - RM43,628,000) of its retained profits at 31 December 2003 if paid out as dividends; and
- (ii) the Company has unutilised reinvestment allowance of RM18,210,000 (2002- RM15,677,000) as at the balance sheet date.

notes to the financial statements

21. Earnings per ordinary share – group

Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders of RM15,303,000 (2002 - RM10,011,000) and the weighted average number of ordinary shares outstanding during the year of 62,278,000 (2002 - 62,016,000).

Weighted average number of ordinary shares

	2003 '000	2002 '000
Issued ordinary shares at the beginning of the year	62,016	62,016
Effect of options granted under ESOS during the year	262	-
	<u>62,278</u>	<u>62,016</u>

Diluted earnings per share

The calculation of diluted earnings per share is based on the net profit attributable to ordinary shareholders of RM15,303,000 (2002 - RM10,011,000) and the weighted average number of ordinary shares outstanding during the year of 63,794,000 (2002 - 62,587,000) calculated as follows:

Weighted average number of ordinary shares (diluted)

	2003 '000	2002 '000
Weighted average number of ordinary shares at the beginning of the year	62,278	62,016
Effect of options granted under ESOS	1,516	-
	<u>63,794</u>	<u>62,016</u>

22. Dividends

	Group and Company	
	2003 RM'000	2002 RM'000
Ordinary		
Interim paid:		
Nil per share tax exempt		
(2002 - 1.5% per share tax exempt)	-	930
Final paid:		
2002 - 3% per share tax exempt		
(2001 - 1.5% per share tax exempt)	1,860	930
	<u>1,860</u>	<u>1,860</u>



notes to the financial statements

22. Dividends (continued)

The proposed final dividends of 2% tax exempt totalling RM1,266,291 and 2% less tax totalling RM911,730 have not been accounted for in the financial statements of the Group and of the Company as at 31 December 2003.

The net dividends per ordinary share as disclosed in the Income Statement takes into account the total interim and final proposed dividends for the financial year.

23. Related parties

23.1 Controlling related party relationships are as follows:

- i) Companies controlled by the Company and its subsidiaries as disclosed in Note 3.

The Group and the Company have significant related party transactions with the following:

- i) Companies in which Kwang Ching Hing, a shareholder of the Company, has interest:
 - Chin Foh Trading Sdn. Bhd. ("CFT")
 - CF Aluminium Sdn. Bhd. ("CFA")
- ii) Company in which Kuan Pek Woon, son to Kuan Shin and brother to Kuan Pek Seng, has interest:
 - CF Aluminium Sdn. Bhd. ("CFA")
- iii) Company in which Kwan Pek Wong, son to Kwan Chin Hing, has interest:
 - CF Aluminium Sdn. Bhd. ("CFA")
- iv) Companies in which Kuan Shin @ Kuan Nyong Hin, Kwan Yun Hong @ Kuan Onn Hing and Kuan Pek Seng have interests:
 - Chin Foh Trading Sdn. Bhd. ("CFT")
 - CF Beloga Sdn. Bhd. ("CFBSB")
 - Lucksoon Sdn. Bhd. ("LCSB")
- v) Company in which Kwan Yun Hong @ Kuan Onn Hin has interest:
 - CF Aluminium Sdn. Bhd. ("CFA")
- vi) Company in which Kuan Shin @ Kuan Nyong Hin and Kuan Yun Hong @ Kuan Onn Hong have interests:
 - CF Advance Marketing Sdn. Bhd. ("CFAM")
- vii) Company in which Kuan Shin @ Kuan Nyong Hin, Kwan Yun Hong @ Kuan Onn Hing and Kuan Pek Seng have interests:
 - Chin Foh Stainless Steel Services Centre Sdn. Bhd. ("CFSB")

23.2 Significant transactions with related parties

In the normal course of business, the Group and the Company undertakes on agreed terms and prices, transactions with its related companies and other related parties.

notes to the financial statements

23. Related parties (continued)

The significant related party transactions are as follows:

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
A) Rendering of services				
a) Transactions with subsidiaries:				
Rental receivable by the Company	-	7	-	9
Waste treatment charges payable to subsidiary	-	-	176	439
B) Sale of goods				
a) Sales to subsidiaries	-	-	52,030	45,392
b) Sales to				
- CFT	11,122	12,484	11,122	12,425
- LCSB	-	1,256	-	1,256
- CFA	6,918	4,850	6,918	4,850
- CFBSB	-	96	-	96
C) Purchases of goods				
a) Purchases from subsidiaries	-	-	245	113
b) Purchases from				
- CFT	215	227	215	-
- LCSB	-	379	-	379
D) Dividend received from subsidiaries	-	-	2,145	-
E) Others				
a) Sale of property, plant and equipment to a subsidiary	-	-	-	95
b) Sale of property, plant and equipment to CFAM	70	-	70	-

24. Segmental information

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

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

Business segments

The Group comprises the following main business segments:

Manufacturing and trading	Manufacture and marketing of aluminium and other related products.
Contracting and fabrication	Contracting, designing and fabrication of aluminium and stainless steel products.



notes to the financial statements

24. Segmental information (continued)

Property development Development of industrial parks, building and contracting of construction work.

Recycling and waste treatment Recycling of waste and provision of common waste water treatment.

Geographical segments

The manufacturing, trading, contracting and fabrication segments are also operated worldwide apart from Malaysia. The major markets worldwide are operated in Singapore and Hong Kong for the ASEAN region, and Australia for the Asia Pacific region, and England for the European region.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are also based on the geographical location of assets.

	Manufacturing and trading		Construction and fabrication		Property development		Recycling and waste treatment		Eliminations		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Business segments												
Revenue from external customers	297,283	235,916	131,630	116,713	14,717	92	2,599	2,987	-	-	446,229	355,708
Inter-segment revenue	52,048	45,903	320	-	-	-	176	-	(52,544)	(45,903)	-	-
Total revenue	<u>349,331</u>	<u>281,819</u>	<u>131,950</u>	<u>116,713</u>	<u>14,717</u>	<u>92</u>	<u>2,775</u>	<u>2,987</u>	<u>(52,544)</u>	<u>(45,903)</u>	<u>446,229</u>	<u>355,708</u>
Segment result	<u>43,193</u>	<u>18,168</u>	<u>5,239</u>	<u>10,066</u>	<u>6,247</u>	<u>(326)</u>	<u>98</u>	<u>427</u>	<u>(24,800)</u>	<u>(354)</u>	<u>29,977</u>	<u>27,981</u>
Share of profit of associate	3,176	-	1,851	-	-	-	-	-	-	-	5,027	-
Net financing costs											(6,975)	(6,807)
Tax expense											(6,653)	(5,609)
Minority interests											(6,073)	(5,554)
Net profit for the year											<u>15,303</u>	<u>10,011</u>
Segment assets	334,832	299,806	29,949	90,910	36,214	29,281	12,931	13,058	(54,964)	(60,184)	358,962	372,871
Investment in associate	5,545	-	11,166	-	-	-	-	-	-	-	16,711	-
Unallocated assets											1,098	1,257
											<u>376,771</u>	<u>374,128</u>
Segment liabilities	200,180	180,996	28,299	58,682	29,479	26,792	11,747	11,567	(52,680)	(35,631)	217,025	242,406
Capital expenditure	17,508	12,335	1,072	1,324	-	66	233	16	-	-	18,813	13,741
Depreciation and amortisation	11,026	9,578	669	811	96	108	855	850	-	-	12,646	11,347
Non-cash expenses other than depreciation and amortisation	-	-	54	-	-	-	-	-	-	-	54	-

notes to the financial statements

24. Segmental information (continued)

	Malaysia		ASEAN region		Europe region		Asia Pacific region		Eliminations		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Geographical segments												
Revenue from external customers by location of customers	425,917	257,727	7,226	105,679	6,880	122	58,750	38,083	(52,544)	(45,903)	446,229	355,708
Segment assets by location of assets	377,005	376,266	6,740	39,552	9,029	1,958	21,152	15,279	(54,964)	(60,184)	358,962	372,871
Investment in associate	16,711	-	-	-	-	-	-	-	-	-	16,711	-
Unallocated assets											1,098	1,257
											<u>376,771</u>	<u>374,128</u>
Capital expenditure by location of assets	17,679	11,618	-	-	304	1,880	830	240	-	-	18,813	13,741

25. Contingent liabilities - unsecured

	2003 RM'000	2002 RM'000
Group		
Provision for liquidated ascertained damages	<u>325</u>	<u>325</u>

	2003 RM'000	2002 RM'000
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Company

- i) Guarantees given to financial institutions for facilities granted to subsidiary companies 35,607 30,491
- ii) Certain customers of PMB Development Sdn. Bhd. ("PMBD"), a subsidiary of the Company, have filed legal suits to recover approximately RM706,000 (2002 - RM538,000) from PMBD for breach of a term in the sale and purchase agreements.

Based on legal opinion obtained, the Directors believe that PMBD has a good defence and accordingly, no provision for this liability has been made in the financial statements.



notes to the financial statements

26. Capital commitment

	Group	
	2003 RM'000	2002 RM'000
Approved and contracted for	-	44
Approved but not contracted for	4,446	-
	<u>4,446</u>	<u>44</u>

27. Financial instruments

Financial risk management objectives and policies

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

Credit risk

The Group and Company's exposure to credit risk arises through its receivables. Management has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis through review of receivables ageing. Credit evaluations are performed on all new customers.

As at balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of the receivables presented in the balance sheet.

Interest rate risk

The Group and Company's exposure to interest rate risk arises through their short term borrowings and is monitored on an ongoing basis. The short term borrowings are subject to interest at a percentage over the base lending rate in the market.

Foreign currency risk

The Group and the Company incur foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is primarily Singapore dollars, Australian dollars and US dollars. The Group and the Company do not hedge this risk.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

notes to the financial statements

27. Financial instruments (continued)

Effective interest rates and repricing analysis

In respect of significant financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the period in which they reprice or mature, whichever is earlier.

2003 Group	Effective interest rate %	Total RM'000	Within 1 year RM'000	1-5 years RM'000
Financial liabilities				
Bank overdrafts	6.77	6,086	6,086	-
Bills payable	3.30	115,419	115,419	-
Term loan	7.61	19,458	9,663	9,795
		<u>140,963</u>	<u>131,168</u>	<u>9,795</u>
Company				
Financial liabilities				
Bank overdrafts	7.00	1,194	1,194	-
Bills payable	3.30	112,793	112,793	-
Term loan	7.83	10,725	4,160	6,565
		<u>124,712</u>	<u>118,147</u>	<u>6,565</u>
2002				
Group				
Financial liabilities				
Bank overdrafts	7.23	12,791	12,791	-
Revolving credit	4.50	3,659	3,659	-
Bills payable	4.11	113,494	113,494	-
Term loan	8.10	25,427	10,184	15,243
		<u>155,371</u>	<u>140,128</u>	<u>15,243</u>
Company				
Financial liabilities				
Bank overdrafts	6.90	4,964	4,964	-
Bills payable	3.50	95,036	95,036	-
Term loan	8.30	13,806	4,840	8,966
		<u>113,806</u>	<u>104,840</u>	<u>8,966</u>



notes to the financial statements

27. Financial instruments (continued)

Fair values

Recognised financial instruments

In respect of cash and cash equivalents, trade and other receivables, hire purchase, liabilities, and trade and other payables approximate fair value due to the relatively short term nature of the these financial instruments.

The aggregate fair value of the other financial asset carried on the balance sheet as at 31 December 2003 is shown below:

	2003		2002	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Financial asset				
Quoted shares – long term	387	422	387	230

The fair value of quoted securities is their quoted bid price at the balance sheet date.

The aggregate fair values of other financial liabilities carried on the balance sheet date as at 31 December are shown below:

	2003		2002	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Financial liabilities				
Bank overdrafts	6,086	6,086	12,791	12,791
Revolving credit	-	-	3,659	3,659
Bills payable	115,419	115,419	113,494	113,494
Term loan	19,458	19,428	25,427	25,895
	<u>140,963</u>	<u>140,933</u>	<u>155,371</u>	<u>155,839</u>

Company

Financial liabilities

Bank overdrafts	1,194	1,194	4,946	4,946
Bills payable	112,793	112,793	95,036	95,036
Term loan	10,725	10,695	13,806	13,835
	<u>124,712</u>	<u>124,682</u>	<u>113,788</u>	<u>113,817</u>

Analysis of Shareholdings as at 26 April 2004

Authorised Share Capital	:	RM500,000,000
Issued and Paid-Up Share Capital	:	RM63,375,555
Class of Shares	:	Ordinary Shares of RM1.00
Voting Rights	:	One vote per share

Size of Shareholdings	No. of Shareholders / Depositors	% of Shareholders / Depositors	No. of Shares held	% of Issued Capital
Less than 100	7	0.16	157	-
100 to 1,000	1,014	22.61	955,404	1.51
1,001 to 10,000	3,018	67.31	11,486,468	18.12
10,001 to 100,000	381	8.50	10,497,962	16.56
100,001 to less than 5% of issued shares	63	1.40	37,199,545	58.70
5% and above of issued shares	1	0.02	3,236,019	5.11
TOTAL	4,484	100.00	63,375,555	100.00

Directors' Shareholdings as at 26 April 2004

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Dato' Megat Abdul Rahman bin Megat Ahmad	3,471,482	5.48	* 90,600	0.14
Koon Poh Ming	2,399,530	3.79	** 1,000,000	1.58
Dato' Koon Poh Keong	3,331,642	5.26	-	-
Kuan Shin @ Kuan Nyong Hin	405,561	0.64	@ 2,540,722	4.01
Mohamad Faiz bin Abdul Hamid	23,733	0.04	-	-
Koon Poh Weng	1,780,008	2.81	^ 96,400	0.15
Koon Poh Kong	1,835,199	2.90	-	-
Koon Poh Tat	1,421,000	2.24	# 327,587	0.52
Loo Lean Hock	1,000	0.00	-	-
Tan Heng Kui	14,000	0.02	-	-
Kuan Pek Seng (Alternate Director to Kuan Shin @ Kuan Nyong Hin)	185,000	0.29	& 2,761,283	4.36

* Deemed interested in the shares held by his son, Megat Shahir bin Megat Abdul Rahman

** Deemed interested in the shares held by his spouse, Ong Soo Fan

^ Deemed interested in the shares held by his spouse and daughter, Chan Poh Choo and Koon Sim Ee

Deemed interested in the shares held by his spouse, Chan Chean Heoh

@ Deemed interested in the shares held by his son, Kuan Pek Seng and by virtue of his interest in Doitbest Holdings Sdn. Bhd.

& Deemed interested in the shares held by his father, Kuan Shin @ Kuan Nyong Hin and by virtue of his interest in Doitbest Holdings Sdn. Bhd.



Substantial Shareholders as per Register of Substantial Shareholders as at 26 April 2004

Name	Direct		Indirect	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Dato' Megat Abdul Rahman bin Megat Ahmad	3,471,482	5.48	* 90,600	0.14
Kwan Yun Hong @ Kuan Onn Hing	5,247,019	8.28	# 3,800	0.00
Dato' Koon Poh Keong	3,331,642	5.26	-	-
Kwan Chin Hing	3,225,960	5.09	-	-
Koon Poh Ming	2,399,530	3.79	^ 1,000,000	1.58

* Deemed interested in the shares held by his son, Megat Shahir bin Megat Abdul Rahman

Deemed interested in the shares held by his spouse, Tan Lam Kiew

^ Deemed interested in the shares held by his spouse, Ong Soo Fan

Thirty Largest Shareholders / Depositors as at 26 April 2004

	Name of Shareholders	No. of Shares	% of Issued Capital
1	Kwan Yun Hong @ Kuan Onn Hing	3,236,019	5.11
2	Koon Poh Ming	2,451,530	3.87
3	Doitbest Holdings Sdn. Bhd.	2,355,722	3.72
4	Mayban Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Loh Kwi Yong	2,165,300	3.42
5	Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Megat Abdul Rahman bin Megat Ahmad	2,017,970	3.18
6	UOBM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kwan Yun Hong @ Kuan Onn Hing	2,000,000	3.15
7	Koon Poh Weng	1,780,008	2.81
8	HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Cheng Joo Teik	1,700,400	2.68
9	Ong Sow Mei	1,650,371	2.60
10	Tan Mew Lan	1,509,912	2.38
11	Citicorp Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Koon Poh Keong	1,470,000	2.32
12	Koon Poh Tat	1,346,000	2.12
13	Dato' Megat Abdul Rahman bin Megat Ahmad	1,340,912	2.12
14	Affin-ACF Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Koon Poh Keong	1,300,000	2.05
15	Mayban Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Koon Pui Lan	1,151,300	1.82
16	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ang Joo Beng	868,900	1.37
17	Koon Poh Kong	865,199	1.37
18	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Cheng Chai Chin	760,800	1.20
19	Kwan Chin Hing	627,960	0.99
20	Anthony Kuan Chee Kee	600,000	0.95
21	Citicorp Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Koon Poh Kong	520,000	0.82
22	BBMB Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Koon Poh Keong	500,000	0.79
23	Wong Siew Lan	455,000	0.72
24	Chan Poh Leng	426,800	0.67
25	Lim Quee Hiong	400,000	0.63
26	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pheim Asset Management Sdn Bhd for Employees Provident Fund	296,000	0.47
27	Kuan Shin @ Kuan Nyong Hin	286,000	0.45
28	Tan Ting Wong	285,000	0.45
29	Kang Kian Kiat	270,000	0.43
30	Amsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Koh Chit Khoon	242,700	0.38
TOTAL		34,879,803	55.04



Analysis of Warrantholdings as at 26 April 2004

Total Warrants Issued : 20,363,999

Size of Holdings	No. of Warrantholders	% of Warrantholders	No. of Warrants held	% of Issued Warrants
Less than 100	23	1.27	1,997	0.01
100 to 1,000	279	15.36	239,179	1.17
1,001 to 10,000	1,277	70.32	4,976,806	24.44
10,001 to 100,000	219	12.06	5,719,776	28.09
100,001 to less than 5% of issued warrants	16	0.88	5,190,641	25.49
5% and above of issued warrants	2	0.11	4,235,600	20.80
TOTAL	1,816	100.00	20,363,999	100.00

Directors' Warrantholdings as at 26 April 2004

Name	Direct		Indirect	
	No. of Warrants Held	% of Issued Warrants	No. of Warrants Held	% of Issued Warrants
Dato' Megat Abdul Rahman bin Megat Ahmad	2,464,600	12.10	* 27,000	0.13
Koon Poh Ming	451,715	2.22	-	-
Dato' Koon Poh Keong	382,921	1.88	-	-
Kuan Shin @ Kuan Nyong Hin	-	-	@ 919	0.00
Mohamad Faiz bin Abdul Hamid	7,806	0.04	-	-
Koon Poh Weng	-	-	^ 35,397	0.17
Koon Poh Kong	259,200	1.27	# 95,400	0.47
Koon Poh Tat	-	-	-	-
Loo Lean Hock	-	-	-	-
Tan Heng Kui	-	-	-	-
Kuan Pek Seng (Alternate Director to Kuan Shin @ Kuan Nyong Hin)	-	-	@ 919	0.00

* Deemed interested by virtue of his interest in Joem Sendirian Bhd.

^ Deemed interested in the warrants held by his spouse, Chan Poh Choo

Deemed interested in the warrants held by his spouse, Lee Sook Ching

@ Deemed interested by virtue of their interests in Doitbest Holdings Sdn. Bhd.

Thirty Largest Warrantholders as at 26 April 2004

	Name of Warrantholders	No. of Warrants	% of Issued Warrants
1	Dato' Megat Abdul Rahman Bin Megat Ahmad	2,464,600	12.10
2	Kwan Yun Hong @ Kuan Onn Hing	1,771,000	8.70
3	Tan Mew Lan	718,037	3.53
4	Kwan Chin Hing	603,400	2.96
5	Chan Poh Leng	556,368	2.73
6	Mayban Securities Nominees (Tempatan) Sdn. Bhd, Pledged Securities Account for Loh Kwi Yong	517,500	2.54
7	Anthony Kuan Chee Kee	500,000	2.45
8	Koon Poh Ming	451,715	2.22
9	Chu Eng Hock	380,800	1.87
10	Hong Leong Finance Berhad Pledged Securities Account for Dato' Koon Poh Keong	380,521	1.87
11	Koon Poh Kong	259,200	1.27
12	Goh Phaik Lynn	150,000	0.74
13	Ong Sow Mei	121,000	0.59
14	Kong Yeng Phooi	120,000	0.59
15	Pos Malaysia Berhad	117,000	0.57
16	Tang Kee Hiong	109,700	0.54
17	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tie Ming Chung	104,000	0.51
18	Lee Sook Ching	101,400	0.50
19	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Chan Mo Lin	100,000	0.49
20	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Foong Choong Heng	95,000	0.47
21	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Cheah Kim Choo	95,000	0.47
22	Gurchran Singh A/L Bachan Singh	92,792	0.46
23	Chua Kin Hua	90,000	0.44
24	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Loh Wee Hian	90,000	0.44
25	Tan Kim Tian	87,000	0.43
26	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Siew Mun Chuang	86,100	0.42
27	Omega Securities Sdn Bhd - In Provisional Liquidation	75,600	0.37
28	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Lim Sok Lan	75,000	0.37
29	M.I.T Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ang Kok Keong	75,000	0.37
30	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Teo Lee Keng	70,000	0.34
TOTAL		10,457,733	51.35



list of properties

Held by the Group as at 31 December 2003

Proprietor	Location	Description / Age (Year)	Existing Use	Tenure	Area (square feet)	Net Book 31/12/03 RM '000
Press Metal Berhad	Lot 6464, Mukim Kapar Daerah Klang Selangor Darul Ehsan	Freehold land and building 10 years	Factory cum office	Freehold	217,000	8,677
Press Metal Berhad	Lot 6486, Mukim Kapar Daerah Klang Selangor Darul Ehsan	Freehold land and building 10 years	Factory	Freehold	417,348	8,337
Press Metal Berhad	PTD 48324 Mukim Plentong Daerah Johor Bahru Johor Darul Takzim	Double Storey Factory 9 years	Office cum Warehouse	Freehold	8,288	482
Press Metal Berhad	HS (D) 69248, PTD 9474, Mukim Senai-Kulai Johore 332, Jalan Emas Taman Desa Kulai, Kulai Johor Darul Takzim	Double Storey Shop house 5 years	Vacant	Freehold	1,540	164
Press Metal Berhad	HS (D) 52126, PTD 26986 Mukim Plentong Daerah Johor Bahru Johor Darul Takzim	Double Storey Shop house 5 years	Vacant	Freehold	1,400	325
Press Metal Berhad	HS (D) 85897, PTD 48325 Mukim Plentong Daerah Johor Bahru Johor Darul Takzim	Double Storey Factory 1 year	Office cum warehouse	Freehold	6,893	944
PMB Development Sdn Bhd	HS (D) 25528 Pt. No 8627 Mukim Rawang Daerah Gombak, Lot 15, Phase 4A Templer Baiduri Selangor Darul Ehsan	Bungalow Lot 5 years	Vacant	Freehold	9,000	342
Angkasa Jasa Sdn Bhd	Pt 7649, Cheras Jaya Mukim Cheras Daerah Ulu Langat Selangor Darul Ehsan	Leasehold and 5 building 5 years	Factory cum office	Leasehold for 99 years expiring 14 May 2088	44,584	3,732
Angkasa Jasa Sdn Bhd	Lot 3-307 Kemayan City Shopping Mall Daerah Johor Bahru Johor Darul Takzim	Commercial Office suite 5 years	Vacant	Freehold	312	246
Angkasa Jasa Sdn Bhd	Lot 3-308 Kemayan City Shopping Mall Daerah Johor Bahru Johor Darul Takzim	Commercial Office suite 5 years	Vacant	Freehold	312	246
Angkasa Jasa Sdn Bhd	Pantai Plaza, Tower 5 Suite no 1002 Kuala Lumpur	Commercial Office suite 5 years	Vacant	Freehold	1,392	849
Angkasa Jasa Sdn Bhd	Pantai Plaza, APH 20 Menara Atlas Kuala Lumpur	Commercial Office suite 4 years	Tenanted	Freehold	5,339	2,529
Angkasa Jasa Sdn Bhd	4JD-107 (IT Ville) Putrajaya Selangor Darul Ehsan	5 Storey Apartment 5 years	Vacant	Leasehold for 99 years expiring 19 October 2093	790	87



PRESS METAL BERHAD

(Company No. 153208-W)

(Incorporated in Malaysia)

proxy form

Number of shares held	
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I/We
of
being a member of PRESS METAL BERHAD, hereby appoint * THE CHAIRMAN OF THE MEETING or failing him,
.....
of
or failing him,
of
as my/our proxy to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held at Room Tun H. S. Lee, Commonwealth House, No. 4 Jalan Birah, Damansara Heights, 50490 Kuala Lumpur on Thursday, 17 June 2004 at 9.30 a.m. and at any adjournment thereof.

* If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "The Chairman of the Meeting or failing him" and insert the name(s) of the person(s) desired.

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

No.	Resolutions	For	Against
Resolution 1	Adoption of Audited Financial Statements for the financial year ended 31 December 2003 and Reports of the Directors and Auditors thereon		
Resolution 2	Declaration of a final dividend of 4%, comprising 2% less 28% tax and 2% tax exempt		
Resolution 3	Approval of Directors' Fees		
Resolution 4	Re-election of Mr Koon Poh Ming as Director		
Resolution 5	Re-election of Dato' Koon Poh Keong as Director		
Resolution 6	Re-election of Encik Mohamad Faiz bin Abdul Hamid as Director		
Resolution 7	Re-appointment of Messrs KPMG as Auditors of the Company		
Resolution 8	Authority under Section 132D of the Companies Act, 1965 for the Directors to issue shares		
Resolution 9	Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.]

.....
Signature:

Shareholder

or Common Seal

Dated this day of 2004

NOTES:

1. A member of the Company 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 may but need not be a member of the Company. A member may appoint any person to be his proxy without limitation and the provisions of Section 149 (1) (b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.



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The Company Secretary
Press Metal Berhad
(Company No. 153208-W)
Level 7, Setia 1,
15 Lorong Dungun,
Damansara Heights,
50490 Kuala Lumpur.

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PRESS METAL BERHAD
(Company No. 153208-W)

PRESS METAL group directory

PRESS METAL BERHAD
(Company No. 153208-W)
Lot 6464, Batu 5 3/4,
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42100 Klang,
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Tel: 603-3291 3188
Fax: 603-3291 3637
Web URL: www.pressmetal.com

ACE EXTRUSION SDN BHD
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P.O. Box 1096,
46870 Petaling Jaya,
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PMB MARKETING SDN. BHD.
(Company No. 185222-W)
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E-mail: pmb@pmbmkg.com

PMB MARKETING (H.K) LTD.
(Company No. 782963)
Unit A, 18/F Chinaweal Centre,
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Wanchai, Hong Kong.
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Fax: 852-2397 6206

WESAMA SDN. BHD.
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MANAGEMENT SDN.BHD.
(Company No. 383245-H)
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Web URL: www.bipmb@tm.ney.my

ANGKASA JASA SDN. BHD.
(Company No. 110854-M)
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Taman Cheras Jaya,
42200 Cheras,
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Fax: 603-9075 2139
Web URL: www.angkasajasa.com
E-mail: ajsb@angkasajasa.com

PMB DEVELOPMENT SDN. BHD.
(Company No. 198730-T)
PMB SPECTRUM SDN. BHD.
(Company No. 400200-U)
BI-PMB WASTE
MANAGEMENT SDN. BHD.
(Company No. 204292-D)
PMB-ENVIREX ENVIRONMENT
ENGINEERING SDN. BHD.
(Company No. 204138-X)
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