

Director's Report

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

Principal activities

The principal activity of the Company consists of investment holding. The principal activities of the Group consist of manufacturing and marketing of food and dairy products and soft drinks and oil palm cultivation and production. There have been no significant changes in these activities during the financial year.

Financial results

	Group RM	Company RM
Profit after taxation	10,749,172	5,448,170
Minority interests	555,757	-
Net profit for the financial year	11,304,929	5,448,170

Dividends

The amounts of dividends paid or declared by the Company since 31 December 2002 were as follows:

	RM
In respect of the financial year ended 31 December 2002 as shown in the Directors' report of that year -	
Final dividend of 3.0 sen gross per share, less income tax at 28%, on 61,403,000 ordinary shares at 31 December 2002	1,326,305
Dividends on ordinary shares through exercise of share options which rank pari passu with the other ordinary shares at 31 December 2002	1,514
Total dividends paid on 16 July 2003	<u>1,327,819</u>
In respect of the financial year ended 31 December 2003 -	
Interim dividend of 3.0 sen gross per share, less income tax at 28%, declared on 21 November 2003 and paid on 6 January 2004	<u>1,338,986</u>

On 28 April 2004, the Directors proposed, subject to the approval of the members at the forthcoming Annual General Meeting of the Company, a final dividend of 3.0 sen gross per share less income tax at 28%, on 60,832,200 ordinary shares, amounting to RM1,313,976 for the financial year ended 31 December 2003 to be paid on 21 July 2004.

Director's Report (cont'd)

Reserves and provisions

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

Share capital

During the financial year, the issued and fully paid-up share capital of the Company was increased from RM61,403,000 to RM61,997,000 by way of exercise of the options to subscribe for 451,000, 88,000 and 55,000 ordinary shares of RM1 each respectively under The Employees' Share Option Scheme at the exercise price of RM1.32, RM1.33 and RM2.09 respectively per ordinary share.

The new issued shares rank pari passu in all respects with its then existing ordinary shares of the Company, except that they will not be entitled to any dividends, rights, allotments and/or other distributions which entitlement date precedes the relevant exercise date of the Scheme.

Treasury shares

During the financial year, the Company repurchased 72,500 of its issued share capital from open market on the Malaysia Securities Exchange Berhad for RM105,955. The average price paid for the shares repurchased was approximately RM1.45 per share.

Details of the treasury shares are set out in Note 20(a) to the financial statements.

Employees' share option scheme

The Employees' Share Option Scheme ("the Scheme") was approved by the shareholders at the Extraordinary General Meeting held on 25 May 1998 and became effective on 25 August 1998. Details of the Scheme are set out in Note 20(b) to the financial statements.

The Scheme expired on 25 August 2003.

Bonds and warrants

The Company issued 30,000,000 5-year 7% Redeemable Unsecured Bonds 1998/2003 at a nominal value of RM1.00 each for cash as constituted by a Trust Deed dated 22 June 1998. The Bonds were issued with 24,000,000 Detachable Warrants at an offer price of 45.63 sen per warrant on the basis of two warrants for every five ordinary shares held.

Details of the bonds and warrants are set out in Note 23 to the financial statements.

On 29 July 2002, the Company had repurchased RM20,000,000 nominal value of the Bonds for a total consideration of RM20,730,575. The repurchased Bonds had been cancelled effective 1 August 2003. The remaining nominal value of the Bonds of RM10,000,000 was repurchased on 26 June 2003 for a total consideration of RM10,350,000.

Director's Report (cont'd)

Directors

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

Datuk Pang Chin Hin
 Y.A.M. Tunku Osman Ahmad
 Pang Tee Chew
 Pang Tee Nam
 Pang Tee Suan
 Mohamed Nizam bin Tun Abdul Razak
 Dato' Dr. Shanmughalingam A/L Murugasu (appointed on 17 June 2003)

Datuk Pang Chin Hin and Y.A.M. Tunku Osman Ahmad retire pursuant to Section 129(2) of the Companies Act, 1965 and seek re-appointment as Directors under Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

In accordance with the Company's Articles of Association, Pang Tee Chew and Pang Tee Suan retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with the Company's Articles of Association, Dato' Dr. Shanmughalingam A/L Murugasu who was appointed during the period retires at the forthcoming Annual General Meeting and, being eligible, offers himself for election.

Directors' Benefits

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed as Directors' remuneration in note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions in the ordinary course of business with companies in which certain of the Directors have substantial financial interests and as disclosed in note 29 to the financial statements.

Director's Report (cont'd)

Directors' interests in shares and debentures

According to the register of Director's shareholdings, the interests of Directors in office at the end of the financial year in shares, warrants and options in the Company were as follows:

	Number of ordinary shares of RM1 each			
	At 1.1.2003	Bought	Sold	At 31.12.2003
Datuk Pang Chin Hin	6,409,725	248,200	-	6,657,925
	4,576,544	1	8,000	4,568,545*
Y.A.M Tunku Osman Ahmad	190,000	-	-	190,000
Pang Tee Chew	13,912,403	95,000	1	14,007,402
	245,998	-	-	245,998*
Pang Tee Nam	5,887,181	93,000	-	5,980,181
	230,664	-	-	230,664*
Pang Tee Suan	5,681,018	83,000	-	5,764,018
	297,331	5,000	-	302,331*
Mohamed Nizam bin Tun Abdul Razak	1,133,333	-	-	1,133,333

* Represent the Director's indirect interests.

	Number of warrants			
	At 1.1.2003	Bought	Sold	At 31.12.2003
Datuk Pang Chin Hin	2,148,999	-	-	2,148,999
	6,116,207	-	-	6,116,207*
Pang Tee Chew	5,571,342	-	-	5,571,342
	4,480,655	-	-	4,480,655*
Pang Tee Nam	2,346,000	-	-	2,346,000
	4,483,655	-	-	4,483,655*
Pang Tee Suan	2,268,407	-	-	2,268,407
	4,476,655	-	-	4,476,655*

* Represent the Director's indirect interests.

Each warrant entitles its registered holder to subscribe for one new ordinary share of RM1 each in the Company at an exercise price of RM1.33 per warrant.

	Number of options over ordinary shares of RM1 each				
	At 1.1.2003	Granted	Exercised	Lapsed	At 31.12.2003
Datuk Pang Chin Hin	108,000	-	108,000	-	-
	32,000	-	-	32,000	-*
Pang Tee Chew	108,000	-	78,000	30,000	-
	18,000	-	-	18,000	-*
Pang Tee Nam	93,000	-	93,000	-	-
Pang Tee Suan	130,000	-	83,000	47,000	-
	5,000	-	5,000	-	-*

* Represent the Director's indirect interests.

Director's Report (cont'd)

Directors' Interests in shares and debentures (continued)

The share options were granted pursuant to the Employees' Share Option Scheme of the Company and entitles the holder to subscribe for one new ordinary share of RM1 each for every option held at either RM1.33, RM2.09 and/or RM1.32 per share. The Scheme expired on 25 August 2003.

None of the other Directors in office at the end of the financial year held any interest in shares in the Company and its related corporations. No Directors held any interest in debentures of the Company and its related corporations during the financial year.

Statutory information on the financial statements

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

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

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

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

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

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

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

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

Director's Report (cont'd)

Statutory information on the financial statements (continued)

In the opinion of the Directors,

- (a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the impairment loss as disclosed in the consolidated income statement and Note 5 to the financial statements; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made other than as disclosed in Note 31 to the financial statements.

Significant events during the financial year

The significant events during the financial year are disclosed in Note 31 to the financial statements.

Auditors

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 28 April 2004.

MOHAMED NIZAM BIN TUN ABDUL RAZAK
DIRECTOR

PANG TEE CHEW
DIRECTOR

Statement By Directors Pursuant To Section 169(15) Of The Companies ACT, 1965

We, Mohamed Nizam bin Tun Abdul Razak and Pang Tee Chew, two of the Directors of Mamee-Double Decker (M) Berhad, state that in the opinion of the Directors, the financial statements set out on pages 38 to 84 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2003 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 28 April 2004.

MOHAMED NIZAM BIN TUN ABDUL RAZAK
DIRECTOR

PANG TEE CHEW
DIRECTOR

Statutory Declaration Pursuant To Section 169(16) Of The Companies ACT, 1965

I, Pang Tee Chew, the director primarily responsible for the financial management of Mamee-Double Decker (M) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 38 to 84 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

PANG TEE CHEW

Subscribed and solemnly declared by the abovenamed Pang Tee Chew at Melaka in Malaysia on 28 April 2004, before me.

COMMISSIONER FOR OATHS
A. SUPRAMANIAM, PIS (No M018)
Melaka



Report Of The Auditors To The Members of Mamee-Double Decker (M) Berhad

(Company No. 222363 - T)

We have audited the financial statements set out on pages 38 to 84. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and Company as at 31 December 2003 and of the results and cash flows of the Group and Company for the financial year ended on that date;
- and,
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 14 to the financial statements. We have considered the financial statements of these subsidiaries 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.

PRICEWATERHOUSECOOPERS
(No. AF-1146)
Chartered Accountants

JAYARAJAN A/L U.RATHINASAMY
(No.2059/06/04(J))
Partner of the firm
Melaka
28 April 2004

Consolidated Income Statement

For The Financial Year Ended 31 December 2003

	Note	2003 RM	2002 RM
Revenue	4	256,766,576	241,799,193
Cost of sales		(171,751,557)	(167,390,165)
Gross profit		85,015,019	74,409,028
Other operating income		909,634	2,312,642
Selling and distribution costs		(43,691,040)	(45,455,869)
Administrative expenses		(19,708,616)	(16,830,994)
Other operating expenses (including impairment of assets of RM2,765,690)		(4,871,806)	(1,025,567)
Profit from operations	5	17,653,191	13,409,240
Finance costs	7	(2,584,245)	(3,787,285)
Profit from ordinary activities before taxation		15,068,946	9,621,955
Taxation	8	(4,319,774)	(3,511,883)
Profit after taxation		10,749,172	6,110,072
Minority interests		555,757	702,545
Net profit for the financial year		11,304,929	6,812,617
Earnings per share (sen)			
- Basic	9(a)	18.3	11.1
- Fully diluted	9(b)	18.0	11.1
Dividends per share (sen)	10	6.0	5.5



Company Income Statement

For The Financial Year Ended 31 December 2003

		2003	2002
	Note	RM	RM
Revenue	4	16,669,869	11,351,831
Other operating income		41,999	316,441
Administrative expenses		(1,179,429)	(1,290,856)
Other operating expenses		(3,987,193)	(808,651)
Profit from operations	5	11,545,246	9,568,765
Finance costs	7	(1,812,020)	(2,663,762)
Profit from ordinary activities before taxation		9,733,226	6,905,003
Taxation	8	(4,285,056)	(2,460,785)
Profit after taxation and net profit for the financial year		5,448,170	4,444,218

Consolidated Balance Sheet

As AT 31 December 2003

	Note	2003 RM	2002 RM
Non current assets			
Property, plant and equipment	11	100,404,361	109,521,931
Investments	12	2,330,606	1,299,602
Intangible assets	13	300,260	363,891
Deferred tax assets	19	590,000	-
		<u>103,625,227</u>	<u>111,185,424</u>
Current assets			
Inventories	15	19,982,603	19,836,931
Receivables	16	41,899,729	45,153,481
Tax recoverable		988,674	731,124
Fixed deposits with licensed banks		13,080,000	7,343,000
Cash and bank balances		15,363,208	16,373,877
		<u>91,314,214</u>	<u>89,438,413</u>
Less: Current liabilities			
Payables	17	41,530,362	39,723,315
Current tax liabilities		2,537,812	3,046,760
Dividend payable		1,338,986	1,105,261
Borrowings – interest bearing	18	-	250,171
- bank overdrafts		-	-
- others		3,820,000	26,320,000
		<u>49,227,160</u>	<u>70,445,507</u>
Net current assets		<u>42,087,054</u>	<u>18,992,906</u>
Less: Non current liabilities			
Deferred tax liabilities	19	3,397,000	2,846,000
Borrowings – interest bearing	18	27,370,000	21,190,000
		<u>30,767,000</u>	<u>24,036,000</u>
		<u>114,945,281</u>	<u>106,142,330</u>
Capital and reserves			
Share capital	20	61,997,000	61,403,000
Share premium		1,020,130	786,820
Treasury shares	20(a)	(105,955)	-
Reserve fund	21	526,458	526,458
Retained earnings		51,489,068	42,850,944
		<u>114,926,701</u>	<u>105,567,222</u>
Shareholders' equity		<u>114,926,701</u>	<u>105,567,222</u>
Minority interests		<u>18,580</u>	<u>575,108</u>
		<u>114,945,281</u>	<u>106,142,330</u>

Company Balance Sheet

As AT 31 December 2003

	Note	2003 RM	2002 RM
Non current assets			
Property, plant and equipment	11	62,323	92,435
Investments	12	481,577	403,000
Investments in subsidiaries	14	21,159,804	23,417,806
		<u>21,703,704</u>	<u>23,913,241</u>
Current assets			
Receivables	16	234,793	1,778,687
Amounts receivable from subsidiaries		98,411,330	86,349,784
Tax recoverable		103,820	100,505
Fixed deposits with a licensed bank		4,000,000	2,343,000
Cash and bank balances		904,274	2,646,958
		<u>103,654,217</u>	<u>93,218,934</u>
Less: Current liabilities			
Payables	17	284,298	302,005
Amounts payable to subsidiaries	24	28,808,531	21,801,523
Dividend payable		1,338,986	1,105,261
Borrowings - interest bearing	18	2,500,000	12,500,000
		<u>32,931,815</u>	<u>35,708,789</u>
Net current assets		<u>70,722,402</u>	<u>57,510,145</u>
Less: Non current liability			
Borrowings - interest bearing	18	25,000,000	17,500,000
		<u>67,426,106</u>	<u>63,923,386</u>
Capital and reserves			
Share capital	20	61,997,000	61,403,000
Share premium		1,020,130	786,820
Treasury shares	0(a)	(105,955)	-
Retained earnings	22	4,514,931	1,733,566
Shareholders' equity		<u>67,426,106</u>	<u>63,923,386</u>

Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 December 2003

	Note	Share capital RM	Non-distributable Share premium RM	Treasury shares RM	Reserve fund RM	Distributable Retained earnings RM	Total RM
2003							
Balance as at 1 January		61,403,000	786,820	-	526,458	44,361,944	107,078,222
- as previously reported	25	-	-	-	-	(1,511,000)	(1,511,000)
- prior year adjustment							
- as restated		61,403,000	786,820	-	526,458	42,850,944	105,567,222
Net profit for the financial year		-	-	-	-	11,304,929	11,304,929
Dividends for the financial year ended							
- 31 December 2002		-	-	-	-	(1,327,819)	(1,327,819)
- 31 December 2003		-	-	-	-	(1,338,986)	(1,338,986)
Shares issued during the financial year							
- Pursuant to the Employees' Share Option Scheme		594,000	233,310	-	-	-	827,310
Purchase of treasury shares		-	-	(105,955)	-	-	(105,955)
Balance as at 31 December		61,997,000	1,020,130	(105,955)	526,458	51,489,068	114,926,701

	Note	Share capital RM	Non-distributable Share premium RM	Reserve fund RM	Distributable Retained earnings RM	Total RM
2002						
Balance as at 1 January		61,006,000	659,380	526,458	40,682,129	102,873,967
- as previously reported	25	-	-	-	(2,214,000)	(2,214,000)
- prior year adjustment						
- as restated		61,006,000	659,380	526,458	38,468,129	100,659,967
Net profit for the financial year		-	-	-	6,812,617	6,812,617
Dividends for the financial year ended						
- 31 December 2001		-	-	-	(1,324,541)	(1,324,541)
- 31 December 2002		-	-	-	(1,105,261)	(1,105,261)
Shares issued during the financial year						
- Pursuant to the Employees' Share Option Scheme		397,000	127,440	-	-	524,440
Balance as at 31 December		61,403,000	786,820	526,458	42,850,944	105,567,222

Company Statement Of Changes In Equity

For The Financial Year Ended 31 December 2003

	Share capital RM	Non-distributable Share premium RM	Treasury shares RM	Distributable Retained earnings RM	Total RM
2003					
Balance as at 1 January	61,403,000	786,820	-	1,733,566	63,923,386
Net profit for the financial year	-	-	-	5,448,170	5,448,170
Dividends for the financial year ended					
- 31 December 2002	-	-	-	(1,327,819)	(1,327,819)
- 31 December 2003	-	-	-	(1,338,986)	(1,338,986)
Shares issued during the financial year					
- Pursuant to the Employee's Share Option Scheme	594,000	233,310	-	-	827,310
Purchase of treasury shares	-	-	(105,955)		(105,955)
Balance as at 31 December	61,997,000	1,020,130	(105,955)	4,514,931	67,426,106

	Share capital RM	Non-distributable Share premium RM	Distributable (Accumulated loss)/ Retained earnings RM	Total RM
2002				
Balance as at 1 January	61,006,000	659,380	(280,850)	61,384,530
Net profit for the financial year	-	-	4,444,218	4,444,218
Dividends for the financial year ended				
- 31 December 2001	-	-	(1,324,541)	(1,324,541)
- 31 December 2002	-	-	(1,105,261)	(1,105,261)
Shares issued during the financial year				
- Pursuant to the Employee's Share Option Scheme	397,000	127,440	-	524,440
Balance as at 31 December	61,403,000	786,820	1,733,566	63,923,386

Consolidated Cash Flow Statement

For The Financial Year Ended 31 December 2003

	Note	2003 RM	2002 RM
Cash flows from operating activities			
Net profit for the financial year		11,304,929	6,812,617
Adjustments for:			
Amortisation of goodwill		63,631	63,631
Property, plant and equipment			
- depreciation		11,897,450	12,439,312
- profit on disposal		(392,733)	(326,314)
- written off		19,115	464,361
- impairment loss		2,165,690	-
Interest expense		2,382,354	3,447,803
Dividend income		(25,287)	(26,684)
Interest income		(591,958)	(312,124)
Tax charge		4,319,774	3,511,883
Allowance for diminution in value of investment			
- quoted shares		-	540,275
Profit on disposal of investment		(41,207)	(159,456)
Unrealised gain on foreign exchange		(92,758)	-
Minority interest		(555,757)	(702,545)
		30,453,243	25,752,759
Changes in working capital:			
Inventories		(145,672)	1,110,342
Receivables		3,253,752	5,971,106
Payables		2,503,944	1,136,296
Cash from operations		36,065,267	33,970,503
Tax paid		(5,124,912)	(5,689,584)
Net cash from operating activities		30,940,355	28,280,919
Cash flows from investing activities			
Proceeds from disposal of investments		369,427	1,441,049
Proceeds from disposal of property, plant and equipment		460,501	2,235,350
Purchase of investments		(1,359,225)	(510,332)
Purchase of property, plant and equipment		(5,637,726)	(17,073,850)
Interest received		591,958	312,124
Dividends received		25,287	26,684
Net cash used in investing activities		(5,549,778)	(13,568,975)

Consolidated Cash Flow Statement (cont'd)

For The Financial Year Ended 31 December 2003

	Note	2003 RM	2002 RM
Cash flows from financing activities			
Dividends paid		(2,433,076)	(2,422,649)
Interest paid		(2,382,354)	(3,447,803)
Proceeds from term loans drawn down		10,000,000	20,000,000
Repayment of term loans		(3,820,000)	(990,000)
Net draw down/(repayment) of trade finance		(12,500,000)	(5,780,000)
Proceeds from issuance of shares		827,310	524,440
Contribution to sinking fund		-	(524,440)
Repurchase of redeemable unsecured bonds		(10,000,000)	(20,000,000)
Release of fixed deposits designated for the bonds redemption under sinking fund		2,173,860	-
Purchase of treasury shares		(105,955)	-
Net cash used in financing activities		(18,240,215)	(12,640,452)
Net increase in cash and cash equivalents		7,150,362	2,071,492
Cash and cash equivalents at beginning of the financial year		21,292,846	19,221,354
Cash and cash equivalents at end of the financial year	26	28,443,208	21,292,846

Company Cash Flow Statement

For The Financial Year Ended 31 December 2003

	Note	2003 RM	2002 RM
Cash flows from operating activities			
Net profit for the financial year		5,448,170	4,444,218
Adjustments for:			
Property, plant and equipment			
- depreciation		30,111	39,754
- profit on disposal		(41,999)	-
Interest expense		1,812,020	2,663,762
Dividend income		(15,309,023)	(9,512,001)
Interest income		(1,360,846)	(1,839,830)
Unrealised gain on foreign exchange		(101,314)	(316,441)
Tax charge		4,285,056	2,460,785
Allowance for diminution in value of investment			
- quoted shares		-	340,275
- subsidiaries		2,258,002	397,526
		(2,979,823)	(1,321,952)
Changes in working capital:			
Receivables		1,543,894	105,430
Payables		(17,707)	(212,475)
Balances with subsidiaries		7,332,948	5,609,167
Cash from operating activities		5,879,312	4,180,170
Taxation paid		(1,845)	(35,947)
Net cash from operating activities		5,877,467	4,144,223
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		42,000	-
Purchase of investments		(78,577)	(10,500)
Dividend received		3,780	5,400
Interest received		93,387	79,397
Net cash from investing activities		60,590	74,297

Company Cash Flow Statement (cont'd)

For The Financial Year Ended 31 December 2003

	Note	2003 RM	2002 RM
Cash flows from financing activities			
Repurchase of redeemable unsecured bonds		(10,000,000)	(20,000,000)
Proceeds from term loans drawn down		10,000,000	20,000,000
Repayment of term loans		(2,500,000)	-
Purchase of treasury shares		(105,955)	-
Proceeds from issuance of shares		827,310	524,440
Contribution to sinking fund		-	(524,440)
Dividends paid		(2,433,076)	(2,422,649)
Interest paid		(1,812,020)	(2,663,762)
Release of fixed deposits designated for the bonds redemption under sinking fund		2,173,860	-
Net cash used in financing activities		(3,849,881)	(5,086,411)
Net increase/(decrease) in cash and cash equivalents		2,088,176	(867,891)
Cash and cash equivalents at beginning of the financial year		2,816,098	3,683,989
Cash and cash equivalents at end of the	26	4,904,274	2,816,098

Notes To The Financial Statement

1. General information

The principal activity of the Company consists of investment holding. The principal activities of the Group consist of manufacturing and marketing of food and dairy products and soft drinks and oil palm cultivation and production.

The average number of employees during the financial year amounted to 1,828 (2002: 1,929) for the Group and 4 (2002: 3) for the Company.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of the Malaysia Securities Exchange Berhad.

The address of the registered office of the Company is Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor.

The address of the principal place of business of the Company is Lot 1, Ayer Keroh Industrial Estate, Ayer Keroh, 75450 Melaka.

2. Basis of preparation

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

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The new accounting standards adopted in these financial statements are as follows:

- MASB 25 "Income Taxes"
- MASB 29 "Employee Benefits"

With the exception of MASB 25, there are no changes in accounting policy that affect net profit or shareholders' equity as the Group was already following the recognition and measurement principles in those standards.

The preparation of financial statements in conformity with the provision of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

3. Summary of significant accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements other than the changes of accounting policy as disclosed in Note 3(f) below.

Notes To The Financial Statement (cont'd)

3. Summary of significant accounting policies (continued)

(a) Group accounting - subsidiaries

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

Subsidiaries are consolidated using the acquisition method of accounting except for certain subsidiaries which were consolidated prior to 1 January 2003 using the merger method of accounting in accordance with Malaysian Accounting Standard No. 2 "Accounting for Acquisition and Mergers", the general accepted accounting principles prevailing at that time.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' identifiable net assets are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' identifiable net assets is reflected as goodwill on consolidation.

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. On consolidation, the difference between the cost of merger and the nominal value of the shares acquired is adjusted against retained earnings.

Intragroup transactions, balances and unrealised gains on transactions are eliminated, unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

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

(b) Property, plant and equipment

Freehold land and assets under construction are stated at cost. Land and buildings are stated at Directors' valuation with subsequent additions at cost, less accumulated depreciation /impairment.

The Directors have applied the transitional provisions of International Accounting Standard (IAS) No 16 (revised) "Property, Plant and Equipment" as permitted by Malaysian Accounting Standards Board (MASB) which allows property, plant and equipment to be stated at their last recorded valuations (prior to that IAS 16 operative date of 1 September 1998) less depreciation. Freehold and leasehold land, buildings and plantation development expenditure acquired in 1991 or earlier are stated at valuations determined by independent professional valuers in 1991 using open market value. The 1991 recorded valuations have not been updated as the Group has not adopted a policy of regular periodic revaluations of property, plant and equipment as permitted by the IAS 16 (revised) transitional provisions.

Notes To The Financial Statement (c o n t ' d)

3. Summary of significant accounting policies (continued)

(b) Property, plant and equipment (continued)

Freehold and leasehold land and buildings and plantation development expenditure acquired after 1991 are stated at cost less accumulated depreciation/impairment.

The other property, plant and equipment are stated at cost less accumulated depreciation/impairment.

Freehold land is not depreciated as it has an infinite life. Leasehold land and plantation and development expenditure are amortised over the remaining periods of the respective leases ranging from 39 to 89 years. The other property, plant and equipment are depreciated on the straight line basis to write off the cost or valuation of each asset over its estimated useful life.

The principal annual rates of depreciation used for this purpose are as follows:

	%
Buildings	2 - 20
Plant and machinery	7 - 50
Furniture, fittings and equipment	10 - 50
Motor vehicles	20 - 50

Depreciation on assets under construction commences when the assets are ready for their intended use.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(c) on impairment of assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/loss from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Repairs and maintenance are charged to the income statement during the financial year in which they are incurred. The cost of major leasehold improvements is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major leasehold improvements are depreciated over the remaining useful life of the related asset.

(c) Impairment of assets

Property, plant and equipment and other non-current assets, including intangible assets, and investments in subsidiaries are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.



Notes To The Financial Statement (c o n t ' d)

3. Summary of significant accounting policies (continued)

(c) Impairment of assets (continued)

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

(d) Investments

Investments in subsidiaries are shown at cost and where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(c) on impairment of assets.

Investments in other non-current investments are shown at costs and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the year in which the decline is identified.

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

(e) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and an appropriate proportion of production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(f) Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary or associate on distributions of retained earnings to companies in the Group, and real property gains taxes payable on disposal of properties.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes To The Financial Statement (cont'd)

3. Summary of significant accounting policies (continued)

(f) Income taxes (continued)

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

The above policy for deferred taxation is in accordance with the adoption of the MASB 25, "Income Taxes".

The effect and detail of change in the accounting policy is shown in Note 25 to the financial statements.

(g) Foreign currencies

(i) Foreign operations

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

(ii) Foreign currency transactions

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

(iii) Closing rates

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

<u>Foreign currency</u>	31.12.2003 RM	31.12.2002 RM
1 US Dollar	3.80	3.80
1 Singapore Dollar	2.23	2.14
1 Australian Dollar	2.85	2.13
1 Renminbi	0.4604	0.4606

(h) Intangible assets - Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries over the fair value of the Group's share of their identifiable net assets at the date of acquisition.

Goodwill on acquisitions of subsidiaries are included in the balance sheet as intangible assets. Capitalised goodwill is amortised using the straight line method over its estimated useful life or 18 years, whichever is shorter.

Where an indication of impairment exists, the carrying amount of goodwill is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(c) on impairment of assets.



Notes To The Financial Statement (c o n t ' d)

3. Summary of significant accounting policies (continued)

(i) New planting expenditure and replanting expenditure

All expenditure incurred on new planting from land clearing to the point of maturity is capitalised and included in property, plant and equipment under plantation development expenditure.

(j) Trade receivables

Trade receivables are carried at invoice amount less an allowance for doubtful debts. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the carrying amount and the recoverable amount.

(k) Cash and cash equivalents

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

(l) Revenue recognition

Sales are recognised upon delivery of goods and acknowledgement of acceptance by customers, if any, net of sales taxes and discounts, and after eliminating sales within the Group.

Interest and rental income are recognised on the accrual basis.

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

(m) Share capital

(i) Classification

Ordinary shares are classified as equity.

(ii) Dividends to shareholders of the Company

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

(iii) Purchase of own shares

Where the Company or its subsidiaries purchases the Company's equity share capital, the consideration paid, including any attributable incremental external costs, net of tax, is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

Notes To The Financial Statement (c o n t ' d)

3. Summary of significant accounting policies (continued)

(n) Financial instruments

(i) Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(ii) Financial instruments recognised on the balance sheet

Compound financial instruments

On issue of a financial instrument that contains both a liability and an equity component, the fair value of the liability portion is determined using a market interest rate for an equivalent financial instrument; this amount is carried as liability on the amortised cost basis until extinguished on conversion or maturity of the instrument. The remainder of the proceeds is allocated to the conversion option which is recognised and included in shareholders' equity; the value of the conversion option is not changed in subsequent periods.

The Group has taken advantage of the exemption provided by MASB 24 "Financial Instruments: Disclosure and Presentation" not to reclassify compound instruments issued by the Group prior to 1 January 2003 into liability and equity components. These instruments (together with the associated interest, dividends or other distributions) continue to be classified according to their legal form.

Other financial instruments

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

(iii) Fair value estimation for disclosure purposes

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

The face values, less any estimated credit adjustments, for financial assets and liabilities with tenure to maturity of less than one financial year are assumed to approximate their fair values.



Notes To The Financial Statement (c o n t ' d)

3. Summary of significant accounting policies (continued)

(o) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave, sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Post-employment benefits

The Group's post-employment benefit scheme comprises only defined contribution plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(iii) Equity compensation benefits

Details of the Group's Employee Share Option Scheme are set out in Note 20(b) to the financial statements. The Group does not make a charge to the income statement in connection with share options granted. When the share options are exercised, the proceeds received, net of any transaction costs, are credited to share capital and share premium.

(p) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risk and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single segment.

Notes To The Financial Statement (cont'd)

4. Revenue

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Sale of goods	254,566,185	240,541,610	-	-
Sale of oil palm fresh fruit bunches	2,200,391	1,257,583	-	-
Gross investment income:				
- Dividends	-	-	15,309,023	9,512,001
- Interest	-	-	1,360,846	1,839,830
	256,766,576	241,799,193	16,669,869	11,351,831

5. Profit from operations

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Profit from operations is arrived at after charging/(crediting):				
Amortisation of goodwill	63,631	63,631	-	-
Auditors' remuneration				
- statutory audit				
- current year	57,700	58,740	8,000	8,000
- prior year's underprovision	3,700	-	-	-
- other service	3,500	3,500	3,500	3,500
Property, plant and equipment				
- depreciation	11,897,450	12,439,312	30,111	39,754
- profit on disposal	(392,733)	(326,314)	(41,999)	-
- written off	19,115	464,361	-	-
- impairment loss	2,765,690	-	-	-
Rental of buildings	72,954	91,268	-	-
Allowances for diminution in value of investments				
- quoted shares	-	540,275	-	340,275
- subsidiaries	-	-	2,258,002	397,526
Staff costs (including remuneration of executive Directors)				
- defined contribution retirement plan	2,697,499	2,404,419	43,199	41,338
- salaries, wages, bonus and other employee benefits	28,523,373	27,067,449	388,036	275,172
(Gain)/loss on foreign exchange				
- realised	(323,450)	526,013	-	-
- unrealised	(92,758)	-	(101,314)	(316,441)
Income from investments (gross):				
Quoted in Malaysia	(25,127)	(26,564)	(5,250)	(7,500)
Unquoted				
- subsidiary companies	-	-	(15,309,023)	(9,504,501)
- others	(160)	(120)	-	-
Interest income	(591,958)	(312,124)	(1,360,846)	(1,839,830)
Profit on disposal of investments	(41,207)	(159,456)	-	-
(Write back)/allowance for doubtful debts	(1,231,333)	892,200	-	-
Allowance for deposits doubtful of recovery	-	-	1,626,902	-

Notes To The Financial Statement (cont'd)

6. Directors' remuneration

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

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Non-executive Directors:				
- fees	85,000	70,000	85,000	70,000
- allowances	25,000	20,000	25,000	20,000
Executive Directors:				
- fees	146,000	126,000	115,000	110,000
- basic salaries, bonus and other emoluments	2,075,740	1,700,500	88,000	88,000
- defined contribution retirement plan	243,865	215,175	-	-
- estimated money value of benefits-in-kind	86,000	74,650	-	-
	2,661,605	2,206,325	313,000	288,000

Executive Directors of the Company have been granted options under the Employee Share Option Scheme on the same terms and conditions as those offered to other employees of the Group (see Note 20(b)) as follows:

Grant date	Expiry date	Exercise price RM/share	At 1.1.2003 RM	Exercised RM	Lapsed RM	At 31.12.2003 RM
31.10.1998	25.8.2003	1.33	67,000	67,000	-	-
30.11.1999	25.8.2003	2.09	132,000	55,000	77,000	-
24.9.2002	25.8.2003	1.32	240,000	240,000	-	-
			439,000	362,000	77,000	-

	2003 RM	2002 RM
Number of share options vested at balance sheet date	-	439,000

The options were mainly exercised by the Directors in April, June and August 2003 (2002: None exercised). The fair value of shares of the Company at the exercise date was RM1.37 (2002: Nil) per share.

	2003 RM	2002 RM
Ordinary share capital – at par	362,000	-
Share premium	158,860	-
Proceeds received on exercise of share options	520,860	-
Fair value at exercise date of shares issued	495,365	-

Notes To The Financial Statement (cont'd)

7. Finance costs

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Interest on bonds	350,000	2,130,575	350,000	2,130,575
Interest on trade financing	262,082	377,698	-	-
Interest on overdraft	104	91	-	-
Interest on term loans	1,770,168	939,439	1,462,020	533,187
Other bank charges	201,891	339,482	-	-
	2,584,245	3,787,285	1,812,020	2,663,762

8. Tax

(a) The tax charge/(credit) comprise:

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Current tax:				
- Malaysian tax	4,153,023	3,884,061	4,285,056	2,460,785
- Foreign tax	205,751	30,822	-	-
	4,358,774	3,914,883	4,285,056	2,460,785
Deferred tax (Note 19)	(39,000)	(403,000)	-	-
	4,319,774	3,511,883	4,285,056	2,460,785

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Current tax				
Current year	4,731,916	2,629,871	4,285,056	2,460,785
(Overaccrual)/underaccrual in prior year (net)	(373,142)	479,012	-	-
Deferred tax				
Origination and reversal of temporary difference	(39,000)	403,000	-	-
	4,319,774	3,511,883	4,285,056	2,460,785

Notes To The Financial Statement (cont'd)

8 Tax (continued)

(b) Numerical reconciliation of tax expense

The tax on the Group's and Company's profit before tax differs from the theoretical amount that would arise using the statutory income tax rate of Malaysia as follows:

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Profit before tax	15,068,946	9,621,955	9,733,226	6,905,003
Theoretical tax charge calculated at statutory tax rate of 28% (2002: 28%)	4,219,304	2,694,147	2,725,303	1,933,401
Tax effects of:				
- different tax rate in other country	13,121	1,112	-	-
- different tax rate for different level of income	(24,132)	-	-	-
- expenses not deductible for tax purposes	2,148,216	967,136	1,559,753	527,384
- current year's tax losses not recognised	958,118	934,114	-	-
- effect of reversal of temporary differences for which the tax effect were not recognised in prior financial years	(267,146)	(259,341)	-	-
- utilisation of tax incentives	(2,342,142)	(1,235,324)	-	-
- others	(12,423)	(68,973)	-	-
Prior year's (over)/under accrual (net)	(373,142)	479,012	-	-
	4,319,774	3,511,883	4,285,056	2,460,785

9. Earnings per share

(a) Basic earnings per share

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

	2003	2002
Net profit for the financial year (RM)	11,304,929	6,812,617
Weighted average number of ordinary shares in issue	61,721,667	61,133,333
Basic earnings per share (sen)	18.3	11.1

(b) Diluted earnings per share

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has one category (2002: two categories) of dilutive potential ordinary shares: warrants with a right to subscribe for ordinary shares (2002: warrants with a right to subscribe for ordinary shares and share options granted to employees).

Notes To The Financial Statement (cont'd)

9. Earnings per share (continued)

(b) Diluted earnings per share (continued)

In calculating diluted earnings per share, the warrants and the share options granted to employees are assumed to have been exercised and converted into ordinary shares. A calculation is done to determine the number of shares that could have been acquired at market price (determined as the average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding warrants and share options. This calculation serves to determine the 'unpurchased' shares to be added to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit for the financial year for the warrants and share options calculation.

	2003	2002
Net profit for the financial year (RM)	11,304,929	6,812,617
Weighted average number of ordinary shares in issue	61,721,667	61,133,333
Adjustments for:		
- share options	-	-
- warrants	1,199,950	-
Weighted average number of ordinary shares for diluted earnings per share	62,921,617	61,133,333
Diluted earnings per share (sen)	18.0	11.1

Since diluted earnings per share in 2002 increased when taking the share options and warrants into account, the share options and warrants are anti-dilutive and are ignored in the calculation of diluted earnings per share in the previous financial year.

10. Dividends

Dividends declared or proposed are as follows:

	Group and Company			
	2003		2002	
	Gross per share Sen	Amount of dividend net of tax RM	Gross per share Sen	Amount of dividend net of tax RM
Interim dividend	3.0	1,338,986	2.5	1,105,261
Proposed final dividend	3.0	1,336,846	3.0	1,326,305
Dividends on ordinary shares through exercise of share options which rank pari passu with the other ordinary shares at 31 December 2002	-	-	-	1,514
	6.0	2,675,832	5.5	2,433,080

Notes To The Financial Statement (cont'd)

10. Dividends (continued)

The interim dividend of 3.0 sen gross per share, less income tax at 28% amounting to RM1,338,986 was declared on 21 November 2003 and paid on 6 January 2004.

On 28 April 2004, the Directors proposed, subject to the approval of the members at the forthcoming Annual General Meeting of the Company, a final dividend of 3.0 sen gross per share, less income tax at 28% on 60,832,200 ordinary shares, amounting to RM1,313,976 for the financial year ended 31 December 2003 to be paid on 21 July 2004.

11. Property, plant and equipment

Group	Freehold land RM	Building on freehold land RM	Long leasehold land RM	Short leasehold land RM	Buildings on Leasehold land RM
At cost/valuation					
Balance as at 1 January 2003					
At cost	2,501,980	14,358,002	12,837,375	2,541,944	27,976,811
At valuation	2,318,000	277,000	3,279,820	-	6,502,170
	4,819,980	14,635,002	16,117,195	2,541,944	34,478,981
Currency translation difference	-	-	-	(958)	(4,009)
Additions	-	258,892	554,877	-	253,258
Disposals	-	-	-	-	-
Write off	-	-	-	-	-
Balance as at 31 December 2003					
At cost	2,501,980	14,616,894	13,392,252	2,540,986	28,226,060
At valuation	2,318,000	277,000	3,279,820	-	6,502,170
	4,819,980	14,893,894	16,672,072	2,540,986	34,728,230
Accumulated depreciation/impairment					
Balance as at 1 January 2003	-	3,204,739	1,344,538	546,564	9,842,735
Currency translation difference	-	-	-	(185)	(1,040)
Depreciation charge	-	588,819	204,359	78,554	1,282,544
Impairment loss	-	-	-	-	-
Disposals	-	-	-	-	-
Write off	-	-	-	-	-
Balance as at 31 December 2003	-	3,793,558	1,548,897	624,933	11,124,239
Net book value as at 31 December 2003	4,819,980	11,100,336	15,123,175	1,916,053	23,603,991
Net book value as at 31 December 2002	4,819,980	11,430,263	14,772,657	1,995,380	24,636,246

Notes To The Financial Statement (cont'd)

11. Property, plant and equipment (Continue)

Group	Plantation development expenditure RM	Plant and machinery RM	Furniture, fittings & equipment RM	Motor vehicles RM	Asset under construction RM	Total RM
At cost/valuation						
Balance as at 1 January 2003						
At cost	2,021,481	101,315,632	14,912,013	16,820,222	-	195,285,460
At valuation	3,283,010	-	-	-	-	15,660,000
	5,304,491	101,315,632	14,912,013	16,820,222	-	210,945,460
Currency translation difference	-	(5,613)	(1,816)	-	-	(12,396)
Additions	1,800	2,521,990	433,484	1,396,251	217,174	5,637,726
Disposals	-	(806,075)	(5,330)	(1,702,259)	-	(2,513,664)
Write off	-	(80,773)	(70,004)	-	-	(1 50,777)
Balance as at 31 December 2003						
At cost	2,023,281	102,945,161	15,268,347	16,514,214	217,174	198,246,349
At valuation	3,283,010	-	-	-	-	15,660,000
	5,306,291	102,945,161	15,268,347	16,514,214	217,174	213,906,349
Accumulated depreciation/impairm ent						
Balance as at 1 January 2003	821,388	61,453,615	8,442,760	15,767,190	-	101,423,529
Currency translation difference	-	(4,383)	(1,515)	-	-	(7,123)
Depreciation charge	140,165	7,289,052	1,032,910	1,281,047	-	11,897,450
Impairment loss	-	2,765,690	-	-	-	2,765,690
Disposals	-	(744,938)	(2,050)	(1,698,908)	-	(2,445,896)
Write off	-	(61,662)	(70,000)	-	-	(131,662)
Balance as at 31 December 2003	961,553	70,697,374	9,402,105	15,349,329	-	113,501,988
Net book value as at 31 December 2003	4,344,738	32,247,787	5,866,242	1,164,885	217,174	100,404,361
Net book value as at 31 December 2002	4,483,103	39,862,017	6,469,253	1,053,032	-	109,521,931

Notes To The Financial Statement (cont'd)

11. Property, plant and equipment (continued)

Company	<u>Furniture, fittings and equipment</u> RM	<u>Motor vehicles</u> RM	<u>Total</u> RM
At cost			
Balance as at 1 January 2003	54,233	306,359	360,592
Disposals	-	(81,289)	(81,289)
Balance as at 31 December 2003	54,233	225,070	279,303
Accumulated depreciation			
Balance as at 1 January 2003	46,237	221,920	268,157
Depreciation charge	1,965	28,146	30,111
Disposals	-	(81,288)	(81,288)
Balance as at 31 December 2003	48,202	168,778	216,980
Net book value as at 31 December 2003	6,031	56,292	62,323
Net book value as at 31 December 2002	7,996	84,439	92,435

Land, buildings and plantation development expenditure acquired in 1991 or earlier of the Group were revalued in 1991 by the Directors based on an independent firm of professional valuers and are stated at valuation on the open market basis as approved by the then Capital Issues Committee.

Had the property, plant and equipment been included in the financial statements at cost less depreciation, the net book value of the revalued assets would have been as follows:

	Group	
	2003 RM	2002 RM
Freehold land	2,111,314	2,111,314
Buildings on freehold land	132,000	143,000
Long leasehold land	879,700	892,132
Buildings on long leasehold land	1,476,064	1,637,367
Plantation development expenditure	2,134,229	2,165,729
	6,733,307	6,949,542

During the previous financial year, the net book value of assets charged as security for borrowings (Note 18) is as follows:-

	RM
Land and buildings	1,790,215
Plant and machinery	4,108,717
Furniture, fittings and equipment	506,050
Motor vehicles	107,640
	6,512,622

Notes To The Financial Statement (cont'd)

12. Investments

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
At cost				
Shares in corporations:				
Quoted in Malaysia	2,859,772	1,828,768	821,852	743,275
Quoted outside Malaysia	9,109	9,109	-	-
Unquoted	2,000	2,000	-	-
	2,870,881	1,839,877	821,852	743,275
Less: Allowance for diminution in value	(540,275)	(540,275)	(340,275)	(340,275)
	2,330,606	1,299,602	481,577	403,000
Market value of quoted Investments	2,628,049	1,317,816	510,000	405,600

13. Intangible assets

	Group	
	2003 RM	2002 RM
Goodwill arising on consolidation		
At cost		
Balance as at beginning of financial year	1,065,550	1,069,741
Less: Reserve arising from additional acquisition of shares in a subsidiary	-	4,191
Balance as at end of financial year	1,065,550	1,065,550
Accumulated amortisation		
Balance as at beginning of financial year	701,659	638,028
Amortisation charge	63,631	63,631
Balance as at end of financial year	765,290	701,659
Net book value as at end of financial year	300,260	363,891

14. Investments in subsidiaries

	Company	
	2003 RM	2002 RM
Shares in unquoted corporations, at cost	23,815,332	23,815,332
Allowance for impairment in value of investments	(2,655,528)	(397,526)
	21,159,804	23,417,806

Notes To The Financial Statement (cont'd)

14. Investments in subsidiaries (continued)

The details of the subsidiaries are as follows:

<u>Name of company</u>	<u>Group's effective equity interest</u>		<u>Principal activities</u>	<u>Country of incorporation and principal place of business</u>
	2003	2002		
	%	%		
Pacific Food Products Sdn. Bhd.	100	100	Manufacturing and marketing of food products	Malaysia
<i>Held through 98% ownership by Pacific Food Products Sdn. Bhd.</i>				
- Pacific Plantations Sdn Bhd	98	98	Oil palm cultivation and production	Malaysia
MDD Beverage Sdn Bhd	99.7	99.7	Manufacturing, marketing and contract packing of soft drinks	Malaysia
<i>Held through 100% ownership by MDD Beverage Sdn. Bhd.</i>				
- Pure Products Sdn Bhd	99.7	99.7	Marketing of soft drinks	Malaysia
Kilang Makanan Mamee Sdn. Bhd.	100	100	Manufacturing and marketing of food and dairy products	Malaysia
<i>Held through 60% ownership by Kilang Makanan Mamee Sdn. Bhd.</i>				
- Mamee-Double Decker Foods (Suzhou) Co. Ltd	60	60	Manufacturing and marketing of food products	People's Republic of China
MDD Distribution (M) Sdn Bhd	100	100	Marketing of food products and soft drinks	Malaysia
Milk Specialities Distribution Sdn Bhd	100	100	Marketing of dairy products	Malaysia
MDD Food Specialities Sdn Bhd	100	100	Manufacturing and marketing of food products	Malaysia
Myanmar Mamee-Double Decker Ltd *	60	60	Manufacturing and marketing of food products	The Union of Myanmar
Mamee-Double Decker Ltd *	100	100	Dormant	The Union of Myanmar
MDD Bulk Food Sdn Bhd	100	100	Marketing of food products	Malaysia
MDD Properties Sdn Bhd	100	100	Dormant	Malaysia

* Audited by other firm of auditors.

Notes To The Financial Statement (c o n t ' d)

15. Inventories

	Group	
	2003 RM	2002 RM
At cost		
Finished goods	7,068,703	7,439,225
Work-in-progress	1,673,235	1,166,166
Raw materials	8,085,157	9,927,348
Consumable stores	3,135,159	1,304,192
	19,962,254	19,836,931
At net realisable value		
Finished goods	20,349	-
	19,982,603	19,836,931

During the previous financial year, inventories amounted to RM2,076,452 had been charged as security for bank borrowings (Note 18).

16. Receivables

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Trade receivables	44,360,327	46,169,657	-	-
Allowance for doubtful debts	(5,898,824)	(6,458,042)	-	-
	38,461,503	39,711,615	-	-
Other receivables	1,164,369	1,843,563	-	-
Deposits and prepayments	2,273,857	3,598,303	1,861,695	1,778,687
Allowance for doubtful deposits	-	-	(1,626,902)	-
	41,899,729	45,153,481	234,793	1,778,687

Credit terms of trade receivables range from payment in advance to 60 days.

17. Payables

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Trade payables	26,673,474	25,385,558	-	-
Trade accruals	10,488,326	9,275,782	284,298	293,005
Other payables	4,368,562	5,016,975	-	9,000
	41,530,362	39,723,315	284,298	302,005

Credit terms of trade payables vary from 30 to 90 days.



Notes To The Financial Statement (c o n t ' d)

18. Borrowings - interest bearing

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Current				
Unsecured				
Bank overdraft	-	127,621	-	-
Trade finance	-	11,519,000	-	-
Term loans	3,820,000	3,820,000	2,500,000	2,500,000
Redeemable unsecured bonds	-	10,000,000	-	10,000,000
	3,820,000	25,466,621	2,500,000	12,500,000
Secured				
Bank overdraft	-	122,550	-	-
Trade finance	-	981,000	-	-
	-	1,103,550	-	-
Total current portion	3,820,000	26,570,171	2,500,000	12,500,000
Non current				
Unsecured				
Term loans	27,370,000	21,190,000	25,000,000	17,500,000
Total non current portion	27,370,000	21,190,000	25,000,000	17,500,000
	31,190,000	47,760,171	27,500,000	30,000,000
Total				
Bank overdrafts				
- unsecured	-	127,621	-	-
- secured	-	122,550	-	-
Trade finance				
- unsecured	-	11,519,000	-	-
- secured	-	981,000	-	-
Term loans				
- unsecured	31,190,000	25,010,000	27,500,000	20,000,000
Redeemable unsecured bonds (Note 23)				
- unsecured	-	10,000,000	-	10,000,000
	31,190,000	47,760,171	27,500,000	30,000,000

Notes To The Financial Statement (cont'd)

18. Borrowings - interest bearing (continued)

During the previous financial year, the secured bank overdraft and trade finance were secured by a legal charge on land and buildings and fixed and floating charge over certain assets and inventories of a subsidiary company (Note 11 and Note 15).

Interest on bank overdrafts and trade finance is chargeable at the rates ranging from 0.5% - 1% (2002: 0.5% - 1%) per annum above the banks' base lending rates and at 3.1% (2002: 3.1%) per annum respectively.

Interest on term loans is chargeable at rates ranging from 5.25% to 6.65% (2002: 5.5% to 7%) per annum during the financial year.

19. Deferred tax assets/(liabilities)

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group	
	2003 RM	2002 RM
Deferred tax assets	590,000	-
Deferred tax liabilities:		
- subject to income tax	(3,345,000)	(2,794,000)
- subject to capital gains tax	(52,000)	(52,000)
	(3,397,000)	(2,846,000)
	(2,807,000)	(2,846,000)

The movements during the financial year relating to deferred tax assets and liabilities are as follows:

	Group	
	2003 RM	2002 RM
As at beginning of the financial year	(2,846,000)	(3,249,000)
(Charged)/credited to income statement (Note 8)		
- property, plant and equipment	(670,000)	630,000
- allowances	709,000	(227,000)
	39,000	403,000
As at end of the financial year	(2,807,000)	(2,846,000)

Notes To The Financial Statement (cont'd)

19. Deferred tax assets/(liabilities) (continued)

	Group	
	2003 RM	2002 RM
Subject to income tax		
<u>Deferred tax assets (before offsetting)</u>		
Property, plant and equipment	1,717,000	1,827,000
Allowances	1,531,000	822,000
	3,248,000	2,649,000
Offsetting	(2,658,000)	(2,649,000)
Deferred tax assets (after offsetting)	590,000	-
<u>Deferred tax liabilities (before offsetting)</u>		
Property, plant and equipment	(6,003,000)	(5,443,000)
Offsetting	2,658,000	2,649,000
Deferred tax liability (after offsetting)	(3,345,000)	(2,794,000)
Subject to capital gains tax		
<u>Deferred tax liabilities</u>		
Property, plant and equipment	(52,000)	(52,000)

The amount of deductible temporary differences and unused tax losses (both of which have no expiry date) for which no deferred tax asset is recognised in the balance sheet are as follows:

	Group	
	2003 RM	2002 RM
Deductible temporary differences	3,000,686	2,604,686
Unused tax losses	12,116,741	8,347,505

Notes To The Financial Statement (c o n t ' d)

20. Share capital

	Group and Company			
	2003 Number of Shares	2003 RM	2002 Number of shares	2002 RM
Authorised:				
Balance as at beginning and at end of financial year	500,000,000	500,000,000	500,000,000	500,000,000
Issued and fully paid:				
Balance as at beginning of financial year	61,403,000	61,403,000	61,006,000	61,006,000
Issued during the year - Pursuant to the Employees' Share Option Scheme	594,000	594,000	397,000	397,000
Balance as at end of financial year	61,997,000	61,997,000	61,403,000	61,403,000

(a) Treasury shares

The shareholders of the Company, by an ordinary resolution passed in an extraordinary meeting held on 17 June 2003, approved the Company's Share Buy-Back plan. The Share Buy-Back will enable the Company to utilise its financial resources not immediately required for use, to purchase its own shares. The Shares Buy-Back may enhance the earnings per share and reduce the liquidity level of the shares in the MSEB, which generally will have a positive impact on the market prices of the shares. The Shares Buy-Back will in the longer term enhance the value of the Company's shares in terms of capital appreciation.

During the financial year, the Company repurchased 72,500 of its issued share capital from the open market on the Malaysia Securities Exchange Berhad for RM105,955. The average price paid for the share repurchased was approximately RM1.45 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares as allowed under Section 67A of Companies Act 1965. The Company has the right to reissue these share at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended. None of the treasury shares repurchased has been sold as at 31 December 2003.

At the balance sheet date, the number of outstanding shares in issue after setting treasury shares off against equity is 61,924,500.



Notes To The Financial Statement (cont'd)

20. Share capital (continued)

(b) Employees' Share Option Scheme

The Company implemented the Employees' Share Option Scheme ("the Scheme") as approved by the shareholder, at the Extraordinary General Meeting held on 25 May 1998 and became effective on 25 August 1998. The Scheme expired on 25 August 2003.

The main features of the Scheme are as follows:

- (a) The total number of new ordinary shares of the Company, which may be made available under the Scheme shall not exceed 10% of the total issued and paid-up share capital of the Company at any one point of time during the existence of the Scheme;
- (b) Eligible employees and Executive Directors are full time employees of the Company and/or its subsidiary companies who have been in the service of the Group for at least one continuous year;
- (c) The options granted are valid for five years and may be exercised at any time before the expiry of the Scheme on 25 August 2003 except for certain periods as determined by the Scheme's Options Committee, subject to the annual limit of 20% of the total shares comprised in the option. The option may be exercised in full or in such lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares;
- (d) The price at which the grantees are entitled to subscribe for shares under the Scheme is the average of the mean market quotation of the shares stated in the daily official list issued by the Malaysia Securities Exchange Berhad for the five market days immediately preceding the respective dates of offer of the option;
- (e) The new ordinary shares of the Company to be issued pursuant to the Scheme will, upon allotment and issue, rank pari passu in all respects with its then existing ordinary shares of the Company, except that they will not be entitled to any dividends, rights, allotments and/or other distributions which entitlement date precedes the relevant exercise date of the Scheme.

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

Number of ordinary shares of RM1 each covered under Options							
Tranche	Date	Price	At				At 31.12.2003
			1.1.2003	Granted	Exercised	Lapsed	
1	31.10.199	1.33	343,000	-	88,000	255,000	-
2	30.11.199	2.09	1,349,000	-	55,000	1,294,000	-
3	24.9.2002	1.32	2,345,000	-	451,000	1,894,000	-
			4,037,000	-	594,000	3,443,000	-

	2003	2002
Number of share options vested at balance sheet date	-	4,037,000

Notes To The Financial Statement (c o n t ' d)

20. Share capital (continued)

(b) Employees' Share Option Scheme (continued)

Details relating to options exercised during the financial year are as follows:

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued 2003	2002
January 2002	1.69	1.32	-	25,000
March 2002	1.62 - 1.63	1.32 - 1.33	-	20,000
April 2002	1.82 - 1.86	1.32 - 1.33	-	127,000
May 2002	1.68 - 1.79	1.32 - 1.33	-	139,000
June 2002	1.68	1.32 - 1.33	-	44,000
July 2002	1.60 - 1.65	1.32 - 1.33	-	20,000
August 2002	1.56 - 1.60	1.32	-	14,000
September 2002	1.49	1.32 - 1.33	-	4,000
October 2002	1.32	1.32	-	4,000
April 2003	1.20	1.32 - 1.33	16,000	-
April 2003	1.20	2.09	30,000	-
June 2003	1.39	1.33	24,000	-
July 2003	1.36 - 1.40	1.32 - 1.33	102,000	-
August 2003	1.39	1.32 - 1.33	397,000	-
August 2003	1.39	2.09	25,000	-
			594,000	397,000
			2003 RM	2002 RM
Ordinary share capital - at par			594,000	397,000
Share premium			233,310	127,440
Proceeds received on exercise of share options			827,310	524,440
Fair value at exercise date of shares issued			815,918	670,120



Notes To The Financial Statement (cont'd)

21. Reserve fund

	Group	
	2003 RM	2002 RM
Balance as at beginning and end of financial year	526,458	526,458

The reserve fund is maintained by a subsidiary in compliance with the provisions of People's Republic of China Business Law.

22. Retained earnings

As at 31 December 2003, the Company has sufficient tax credits under Section 108 of the Income Tax Act, 1967 and tax exempt income, subject to agreement with the tax authorities to frank in full all of its retained earnings if paid out as dividends.

23. Redeemable unsecured bonds

	Group and Company	
	2003 RM	2002 RM
7% Redeemable Unsecured Bonds 1998/2003		
Balance as at 31 December	-	10,000,000

The 7% Redeemable Unsecured Bonds 1998/2002 were constituted by a Trust Deed dated 22 June 1998. Unless previously redeemed, purchased and cancelled or surrendered for cancellation pursuant to an exercise of the Warrants in accordance with the Deed Poll and cancelled during the Redemption Period, the Company shall redeem the remaining outstanding Bonds in cash at their nominal value on maturity on 25 June 2002.

Interest of 7% per annum on the nominal value of the Bonds is payable half yearly in arrears on 30 June and 31 December.

On 29 July 2002, the Company had repurchased RM20,000,000 nominal value of the Bonds at a total consideration of RM20,730,575. The repurchased Bonds had been cancelled effective 1 August 2002. The remaining nominal value of the Bonds of RM10,000,000 was repurchased on 26 June 2003 at a total consideration of RM10,350,000.

The Bonds were issued with 24,000,000 Detachable Warrants at an offer price of 45.63 sen per warrant on the basis of two warrants for every five ordinary shares held. The warrants are quoted on the Malaysia Securities Exchange Berhad. Each warrant entitles its registered holder at any time not exceeding five years from the date of its issue, to subscribe for one new ordinary share of RM1 each in the Company at an exercise price of RM1.33 per warrant. The duration and exercise period of the outstanding warrants were extended from 16 February 2003 to 16 February 2008.

As at 31 December 2003, the number of warrants remaining unexercised was 23,999,000.

Notes To The Financial Statement (cont'd)

24. Amounts payable to subsidiaries

The amounts payable to subsidiaries are unsecured, interest free with no fixed terms of repayment.

25. Change in accounting policy

During the financial year, the Group changed its accounting policies to comply with MASB Standard No. 25 - "Income Taxes".

In previous financial years, deferred tax was recognised for all material timing differences between accounting income and taxable income. The tax effect of timing differences that resulted in a debit balance or a debit to the deferred tax balance was not carried forward unless there was a reasonable expectation of its realisation.

The potential tax saving relating to a tax loss carry forward was only recognised if there was assurance beyond any reasonable doubt that future taxable income would be sufficient for the benefit of the loss to be utilised.

The Group has now changed its accounting policy to recognise deferred tax on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

In addition, deferred tax is recognised on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

This change in accounting policy has been accounted for retrospectively.

The new accounting policy has the effect of increasing the Group's net profit for the financial year ended 31 December 2003 by RM295,000. The other effects of the change on the Group's financial statements are as follows:

	As previously reported RM	Effects of change in policy RM	As restated RM
Group			
As at 1 January 2002			
Retained earnings	40,682,129	(2,214,000)	38,468,129
Financial year ended 31 December 2002			
Tax expenses	4,214,883	(703,000)	3,511,883
Profit after taxation	6,813,072	(703,000)	6,110,072
Net profit for the financial year	7,515,617	(703,000)	6,812,617
As at 31 December 2002			
Deferred tax liabilities	1,335,000	1,511,000	2,846,000
Retained earnings	44,361,944	(1,511,000)	42,850,944



Notes To The Financial Statement (cont'd)

26. Cash and cash equivalents

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Cash and bank balances	15,363,208	16,373,877	904,274	2,646,958
Fixed deposits with licensed banks	13,080,000	7,343,000	4,000,000	2,343,000
	28,443,208	23,716,877	4,904,274	4,989,958
Fixed deposits designated for the bonds redemption under sinking fund	-	(2,173,860)	-	(2,173,860)
Bank overdrafts	-	(250,171)	-	-
	28,443,208	21,292,846	4,904,274	2,816,098

27. Segment information

The Group is organised into two main business segments:

- (i) Food and beverage - manufacture and marketing of a range of food and dairy products and soft drinks.
- (ii) Plantation - oil palm cultivation and production

Notes To The Financial Statement (c o n t ' d)

27. Segment information (continued)

(a) Primary reporting format ñ business segments

2003	Food and beverage RM	Plantation RM	Eliminations RM	Group RM
Sales				
External sales	254,566,185	2,200,391	-	256,766,576
Results				
Segment results (external)	16,219,137	816,809	-	17,035,946
Unallocated income				617,245
Profit from operations				17,653,191
Finance cost				(2,584,245)
Profit from ordinary activities before taxation				15,068,946
Taxation				(4,319,774)
Profit after taxation				10,749,172
Minority interest				555,757
Net profit for the financial year				11,304,929
Other information				
Segment assets	173,647,567	6,287,933	(996,665)	178,938,835
Unallocated assets				16,000,606
Total assets				194,939,441
Segment liabilities	45,587,847	1,968,166	(996,665)	46,559,348
Unallocated liabilities				33,434,812
Total liabilities				79,994,160
Capital expenditure	5,503,692	134,034	-	5,637,726
Depreciation and amortisation	11,706,243	254,838	-	11,961,081



Notes To The Financial Statement (Cont'd)

27. Segment information (continued)

(a) Primary reporting format – business segments (continued)

	Food and beverage RM	Plantation RM	Eliminations RM	Group RM
2002				
Sales				
External sales	240,541,610	1,257,583	-	241,799,193
Results				
Segment results (external)	12,856,126	214,306	-	13,070,432
Unallocated income				338,808
Profit from operations				13,409,240
Finance cost				(3,787,285)
Profit from ordinary activities before taxation				9,621,955
Taxation				(3,511,883)
Profit after taxation				6,110,072
Minority interest				702,545
Net profit for the financial year				6,812,617
Other information				
Segment assets	188,378,562	6,676,437	(3,073,764)	191,981,235
Unallocated assets				8,642,602
Total assets				200,623,837
Segment liabilities	58,489,032	3,173,479	(3,073,764)	58,588,747
Unallocated liabilities				35,892,760
Total liabilities				94,481,507
Capital expenditure	16,798,110	275,740	-	17,073,850
Depreciation and amortisation	12,279,023	223,920	-	12,502,943

Notes To The Financial Statement (c o n t ' d)

27. Segment information (continued)

(a) Primary reporting format - business segments (continued)

Unallocated income includes interest income and dividend from other investments. Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash, and mainly exclude fixed deposits, investments and deferred tax assets. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings.

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

(b) Secondary reporting format - geographical segments

The Group operates in three main geographical areas.

- i) Malaysia* - manufacture and marketing of food and dairy products and soft drinks, plantation
- ii) China - manufacture and marketing of food products
- iii) Myanmar - manufacture and marketing of food products

* Company's home country

	Sales		Total assets		Capital expenditure	
	2003 RM	2002 RM	2003 RM	2002 RM	2003 RM	2002 RM
Malaysia	235,400,350	219,404,279	153,993,793	160,784,372	5,190,738	16,974,547
China	12,267,844	11,964,761	15,805,936	20,736,755	198,115	51,476
Myanmar	9,098,382	10,430,153	9,729,106	10,460,108	248,873	47,827
	256,766,576	241,799,193	179,528,835	191,981,235	5,637,726	17,073,850
Unallocated Assets			15,410,606	8,642,602		
Total assets			194,939,441	200,623,837		

In determining the geographical segments of the Group, sales are based on the country in the which customer is located. There are no sales between the segments. Total assets and capital expenditure and determined based on where the assets are located.



Notes To The Financial Statement (Cont'd)

28. Contingent liabilities (unsecured)

A guarantee has been provided by the Company to a bank for a subsidiary's borrowing facilities which amounted to RM3,690,000 at 31 December 2003 (2002: RM5,010,000).

29. Significant related party disclosures

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

Group	
2003 RM	2002 RM
(a) Sale of goods to PT Pacific Food Indonesia	4,898,375
	5,571,367
Rebate on advertisement and promotion provided to PT Pacific Food Indonesia	-
	790,765

PT Pacific Food Indonesia is a company wholly-owned by Datuk Pang Chin Hin, Pang Tee Chew, Pang Tee Suan and Pang Tee Nam, who are the Directors and major shareholders of Mamee-Double Decker (M) Berhad ("MDD").

Group	
2003 RM	2002 RM
(b) Sale of goods to Yang-Yang Co Ltd	997,823
	947,567

Yang-Yang Co Ltd is a company wholly-owned by persons connected to Datuk Pang Chin Hin, Pang Tee Chew, Pang Tee Suan and Pang Tee Nam, who are the Directors and major shareholders of MDD.

Group	
2003 RM	2002 RM
(c) Purchase of raw materials from Pemprosesan Ayam S.H.	1,705
	104,401

Pemprosesan Ayam S.H. is a sole proprietorship owned by Shariff bin Puteh, the son of Haji Puteh bin Talip, who is a Director of Pacific Food Products Sdn Bhd ("PFP"), a subsidiary of MDD.

Notes To The Financial Statement (cont'd)

30. Financial risk management

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks.

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

(a) Foreign currency exchange risk

The Group is exposed to foreign currency risk as a result of its normal business activities. The Group's policy is to minimise the exposure of foreign exchange risk either by entering into a forward contract or to pay from its foreign currency accounts.

The currency exposure of financial assets and financial liabilities of the Group set out below.

Group	Currency exposure at 31.12.2003				Currency exposure at 31.12.2002			
	US Dollar RM	Singapore Dollar RM	Australian Dollar RM	Others RM	US Dollar RM	Singapore Dollar RM	Australian Dollar RM	Others RM
Functional currency - Ringgit Malaysia								
Trade receivables								
- external	6,994,466	1,159,433	1,679,686	381,011	5,094,381	789,684	953,156	675,734
- intragroup	23,003,633	-	-	-	24,031,078	-	-	-
Deposits, cash and bank balances	839,088	-	13,676	-	928,518	-	178,730	-
Trade payables								
- external	(125,807)	-	(487,449)	(80,631)	(309,737)	-	-	(93,197)
Unhedged	30,711,380	1,159,433	1,205,913	300,380	29,744,240	789,684	1,131,886	582,537

Group	Currency exposure at 31.12.2003 Ringgit Malaysia RM	Currency exposure at 31.12.2002 Ringgit Malaysia RM
Functional currency - US Dollar		
Receivables	615,418	919,619
Deposits, cash and bank balances	527,397	959,230
Payables		
- external	(521,280)	(474,939)
- intragroup	(9,787,109)	(11,229,038)
Unhedged	(9,165,574)	(9,825,128)

Notes To The Financial Statement (Cont'd)

30. Financial risk management (continued)

(a) Foreign currency exchange risk (continued)

Group	Currency exposure at 31.12.2003		Currency exposure at 31.12.2002	
	Ringgit Malaysia RM	US Dollar RM	Ringgit Malaysia RM	US Dollar RM
Functional currency – Renminbi				
Receivables	4,366,066	-	5,524,895	-
Deposits, cash and bank balances	1,856,688	-	844,587	-
Payables				
- external	(5,863,546)	-	(7,387,322)	-
- intragroup	-	(12,493,518)	-	(12,417,276)
Unhedged	359,208	(12,493,518)	(1,017,840)	(12,417,276)

Company	Currency exposure at 31.12.2003		Currency exposure at 31.12.2002	
	US Dollar RM	US Dollar RM	US Dollar RM	US Dollar RM
Functional currency – Ringgit Malaysia				
Deposits, cash and bank balances	604,440		624,118	
Receivables				
- intragroup	10,209,008		11,341,193	
Unhedged	10,813,448		11,965,311	

(b) Interest rate risk

The Group always ensure that a cost-effective borrowing structure is maintained at all times.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arising from the Group's borrowings and deposits, and is managed through the use of fixed and floating rate debt.

The net exposure of financial assets and liabilities of the Group and Company to interest rate cash flow risk are as follows:

Notes To The Financial Statement (cont'd)

30. Financial risk management (continued)

(b) Interest rate risk (continued)

Financial Instruments								
Group	Functional currency/ currency exposure	Effective interest at balance sheet date % per annum	Total carrying amount RM	Floating interest rate <1 year RM	Fixed interest rate			
					< 1 yr RM	1 - 5 yrs RM	> 5 yrs RM	
As at 31 December 2003								
Fixed deposits	RM/RM	3.0	13,080,000	-	13,080,000	-	-	-
Term loans	RM/RM	6.0	(31,190,000)	-	(3,820,000)	(27,370,000)	-	-
			(18,110,000)	-	9,260,000	(27,370,000)	-	-
As at 31 December 2002								
Fixed deposits	RM/RM	3.2	7,343,000	-	7,343,000	-	-	-
Term loans	RM/RM	6.4	(25,010,000)	-	(3,820,000)	(21,190,000)	-	-
Trade finance	RM/RM	3.1	(12,500,000)	(12,500,000)	-	-	-	-
Redeemable unsecured bonds	RM/RM	7.0	(10,000,000)	-	(10,000,000)	-	-	-
Bank overdrafts	RM/RM	6.9	(250,171)	(250,171)	-	-	-	-
			(40,417,171)	(12,750,171)	(6,477,000)	(21,190,000)	-	-
Company	Functional currency/ currency exposure	Effective interest at balance sheet date % per annum	Total carrying amount RM	Floating interest rate <1 year RM	Fixed interest rate			
					< 1 yr RM	1 - 5 yrs RM	> 5 yrs RM	
As at 31 December 2003								
Deposits	RM/RM	3.0	4,000,000	-	4,000,000	-	-	-
Term loans	RM/RM	6.0	(27,500,000)	-	(2,500,000)	(25,000,000)	-	-
			(23,500,000)	-	1,500,000	(25,000,000)	-	-
As at 31 December 2002								
Deposits	RM/RM	3.2	2,343,000	-	2,343,000	-	-	-
Term loans	RM/RM	6.2	(20,000,000)	-	(2,500,000)	(17,500,000)	-	-
Redeemable unsecured bonds	RM/RM	7.0	(10,000,000)	-	(10,000,000)	-	-	-
			(27,657,000)	-	(10,157,000)	(17,500,000)	-	-

Notes To The Financial Statement (Cont'd)

30. Financial risk management (continued)

(c) Credit risk

Credit risk is controlled by the approvals of credit application, limits, and monitoring of procedures.

Concentration of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are dispersed and have a variety of end markets in which they sell. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts of allowance for collection losses is inherent in the Group's trade receivables.

(d) Liquidity, cash flow risk and interest rate risk

The Group always ensure that a cost-effective borrowing structure is maintained at all times.

(e) Fair values

The carrying amounts of financial assets and liabilities of the Group and Company at the balance sheet date approximated their fair values except as set out below:

	Group		Company	
	Carrying Amount RM	Fair value RM	Carrying amount RM	Fair value RM
As at 31 December 2003				
Investments:				
- unquoted subsidiaries	-	-	21,159,804	*
- other investments	2,330,606	2,628,049	481,577	510,000
Borrowings:				
- term loans	(31,190,000)	(30,886,440)	(27,500,000)	(27,613,972)
	(28,859,394)	(28,258,391)	(5,858,619)	(27,103,972)
As at 31 December 2002				
Investments:				
- unquoted subsidiaries	-	-	23,417,806	*
- other investments	1,299,602	1,317,816	403,000	405,600
Borrowings:				
- term loans	(25,010,000)	(25,010,000)	(20,000,000)	(20,000,000)
- redeemable unsecured bonds	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
	(33,710,398)	(33,692,184)	(6,179,194)	(29,594,400)

* It is not practicable within the constraints of timeliness and cost to estimate the fair values of these unquoted investments in subsidiaries. At the balance sheet date, the aggregate net tangible assets reported by these unquoted subsidiaries were RM84,787,000 (2002: RM84,713,000). Aggregate profit after tax of these companies for the year was reported as RM14,175,000 (2002: RM7,975,000).

Notes To The Financial Statement (cont'd)

30. Financial risk management (continued)

(e) Fair values (continued)

The method by which fair value information was determined and any significant assumptions made in its application are as follows:

- quoted shares - quoted market prices at balance sheet date.
- bank overdrafts, cash equivalents, receivables and payables with a maturity period of less than one financial year (all of which were subject to normal credit terms) - carrying value at balance sheet date.
- borrowings other than bank overdrafts - future contractual cash flows discounted at current market interest rates available for similar financial instruments.

31. Significant events during the financial year

- (i) On 16 October 2003, one of its subsidiary, Mamee-Double Decker Foods (Suzhou) Co Ltd ("MDD Suzhou") entered into an agreement with Luzhi Country Highway Construction Committee ("LCHCC") in respect of the compulsory acquisition of part of the leasehold land and factory building of MDD Suzhou. LCHCC agreed to MDD Suzhou's request to acquire the entire built-up area measuring 10,248.42m². The total agreed compensation sum was RMB11,050,000 or RM5,087,420 equivalent for all buildings, furnishings and fittings, equipment, removal and wear and tear cost for utilities installations, removal expenses and losses arising from stoppages and interruptions to the production.

The compulsory acquisition is expected to be completed by June 2005. As at the balance sheet date, the Group has received an amount of RMB2,200,000 or RM1,013,320 equivalent out of the total compensation sum and has been booked as other creditors.

- (ii) On 30 October 2003, one of its subsidiary, Pacific Plantations Sdn Bhd ("PPSB") entered into a conditional sale and purchase agreement with Tanah Subor Sdn Bhd for the proposed disposal by Pacific Plantations to Tanah Subor of approximately 1,000 acres of leasehold agricultural land located in Sabah for a total cash consideration of RM8,130,000. The proposed disposal was completed subsequent to the financial year end upon the approval by the shareholders during an Extraordinary General Meeting held on 5 January 2004. The estimated gain arising from the disposal is RM2.5 million and the proceeds were received by PPSB in January 2004.

32. Subsequent event

On 2 April 2004, both wholly owned subsidiary companies of the Group, MDD Food Specialities Sdn Bhd and Pacific Food Products Sdn Bhd entered into agreements for the former to dispose its property, plant and equipment and inventories to the latter for a total cash consideration of RM10,583,610. The purchase consideration is arrived at based on the book values of these assets as at 31 December 2003.

33. Approval of financial statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 28 April 2004.

Statement Of Shareholdings

As At 26 April 2004

CLASS OF SHARES	:	Ordinary Shares Of RM1.00 Each
AUTHORISED SHARE CAPITAL	:	RM500,000,000.00
ISSUED AND FULLY PAID-UP CAPITAL	:	RM61,997,000 (of which 1,164,800 are held as Treasury Shares)
VOTING RIGHTS	:	One (1) Vote Per Ordinary Share
NUMBER OF HOLDERS	:	4,174

A. Distribution of Shareholdings

	No. of Holders	Size of Shareholdings	Total Holdings	Percentage (%)
	87	Less than 100	3,909	0.01
	1,094	100 to 1,000	996,390	1.64
	2,664	1,001 to 10,000	9,273,107	15.24
	298	10,001 to 100,000	7,483,856	12.30
	29	100,001 to less than 5% of issued shares	27,804,262	45.71
	2	5% and above of issued shares	15,270,676	25.10
Total:	4,174		60,832,200	100.00

B. List of 30 Largest Shareholders

No	Name	No. of Shares Held	Percentage (%)
1	PANG TEE CHEW	11,520,602	18.94
2	PANG TEE SUAN	3,750,074	6.16
3	PANG TEE NAM	3,000,000	4.93
4	PANG TEE NAM	2,980,181	4.90
5	BUMIPUTRA-COMMERCE NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Pang Tee Chew	2,700,000	4.44
6	MALAYSIA NOMINEES (TEMPATAN) SDN. BHD. Pledged Securities Account for Pang Chin Hin	2,241,666	3.69
7	PANG TEE SUAN	2,013,944	3.31
8	PANG CHIN HIN	1,972,569	3.24
9	PERMODALAN NASIONAL BERHAD	1,783,333	2.93
10	PANG CHIN HIN	1,409,657	2.32
11	BUMIPUTRA-COMMERCE NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Pang Chin Hin	1,333,333	2.19
12	TIW LAN @ YONG TIW LAN	1,202,996	1.98
13	WONG KIE CHIE	1,070,000	1.76
14	PB SECURITIES NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Mohamed Nizam Bin Abdul Razak	983,333	1.62
15	TIW LAN @ YONG TIW LAN	814,886	1.34
16	PANG SOON PENG	775,000	1.27
17	PANG SOON LUAN	768,333	1.26
18	PANG SOON WAH	628,332	1.03

Statement Of Shareholdings

(cont'd)

As At 26 April 2004

B. List of 30 Largest Shareholders (cont'd)

No	Name	No. of Shares Held	Percentage (%)
19	MALAYSIA EXPORT CREDIT INSURANCE BERHAD	250,000	0.41
20	JF APEX NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Lim Gaik Bway @ Lim Chiew Ah	241,000	0.40
21	TUNKU OSMAN AHMAD	190,000	0.31
22	GOH LEONG CHUAN	180,000	0.30
23	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD Pledged Securities Account for Pang Soon Wah	170,000	0.28
24	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD OCBC SECURITIES PRIVATE LIMITED for Lim Yee Hoh	166,667	0.27
25	TANAH SUBOR SDN. BHD.	157,166	0.26
26	MOHAMED NIZAM BIN ABDUL RAZAK	150,000	0.25
27	JF APEX NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Lee Puay Ching	140,200	0.23
28	HSU CHENG SEN	138,333	0.23
29	TENG WOON SOON	121,000	0.20
30	PM NOMINEES (TEMPATAN) SDN BHD MALPAC MANAGEMENT SDN. BHD. for Hii Tiong Kuoh	113,333	0.19
		42,965,938	70.64

C. List of Substantial Shareholders

Substantial shareholder	-----Ordinary shares of RM1-00 each-----			
	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
Datuk Pang Chin Hin	6,957,225 ⁽ⁱ⁾	11.44	4,595,045 ⁽ⁱⁱ⁾	7.55
Pang Tee Chew	14,224,102 ⁽ⁱⁱⁱ⁾	23.38	272,498 ^(iv)	0.45
Pang Tee Suan	5,764,018	9.48	328,831 ^(v)	0.54
Pang Tee Nam	5,980,181	9.83	257,164 ^(v)	0.42

Note:

- (i) 2,241,666 and 1,333,333 ordinary shares of the Company are held through Malaysia Nominees (Tempatan) Sdn. Bhd. and Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. respectively.



Statement Of Shareholdings

As At 26 April 2004

(cont'd)

- (ii) Deemed interested by virtue of his shareholding in Tanah Subor Sdn. Bhd., his wife's direct shareholding in the Company and indirect shareholding via Pacific Food Sales and Service Sdn. Bhd. and his daughters' direct shareholdings in the Company. Tanah Subor Sdn Bhd holds 157,166 ordinary shares in the Company and Pacific Food Sales and Service Sdn. Bhd holds 78,332 ordinary shares in the Company.
- (iii) 2,700,000 ordinary shares of the Company are held through Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd.
- (iv) Deemed interested by virtue of his shareholdings in Tanah Subor Sdn. Bhd., his wife's direct shareholdings in the Company and indirect shareholdings via Pacific Food Sales and Service Sdn. Bhd. and his daughter's and son's direct shareholdings in the Company.
- (v) Deemed interested by virtue of his shareholdings in Tanah Subor Sdn. Bhd., his wife's direct shareholdings in the Company and indirect shareholdings via Pacific Food Sales and Service Sdn. Bhd.

Statement Of Warrant holdings

As At 26 April 2004

VOTING RIGHTS	:	One (1) Vote Per Warrant (In the meeting of Warrantheolders)
NUMBER OF HOLDERS	:	928

A. Distribution of Warrantheholdings

No. of Holders	Size of Warrant holdings	Total Holdings	Percentage (%)
8	Less than 100	257	0.00
291	100 to 1,000	280,924	1.17
530	1,001 to 10,000	2,178,164	9.08
81	10,001 to 100,000	1,939,700	8.08
13	100,001 to less than 5% of issued warrants	5,426,292	22.61
5	5% and above of issued warrants	14,173,663	59.06
Total:	928	23,999,000	100.00

Statement Of Warrant holdings (cont'd)

As At 26 April 2004

B. List of 30 Largest Warrantholders

No	Name	No. of Warrants Held	Percentage (%)
1	PANG TEE CHEW	5,571,342	23.21
2	TANAH SUBOR SDN. BHD.	4,476,655	18.65
3	PANG TEE SUAN	1,500,000	6.25
4	PANG CHIN HIN	1,425,666	5.94
5	PANG TEE NAM	1,200,000	5.00
6	PANG TEE NAM	1,146,000	4.78
7	PANG TEE SUAN	768,407	3.20
8	PANG CHIN HIN	723,333	3.01
9.	TIW LAN @ YONG TIW LAN	571,553	2.38
10	JF APEX NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Lim Gaik Bway @ Lim Chiew Ah	469,000	1.95
11	PANG SOON WAH	320,000	1.33
12	PANG SOON PENG	310,000	1.29
13	PANG SOON LUAN	304,000	1.27
14	LEE THIAN FOOK @ LEE TIAN FOOK	209,000	0.87
15	YAP SUI PHIN	180,000	0.75
16	JF APEX NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Lee Puay Ching	180,000	0.75
17	TIW LAN @ YONG TIW LAN	133,999	0.56
18	KHAW THUAN SOON	111,000	0.46
19	AMSEC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Hee Yuen Sang	70,000	0.29
20	SOH KOK HENG	67,000	0.28
21	MAYBAN NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Syarikat Lui Kim Chock Sdn Bhd	60,000	0.25
22	YAP SUI PHIN	50,000	0.21
23	LIM CHEE SAN	50,000	0.21
24	QUAH LI WEI	49,500	0.21
25	AMSEC NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Chua Siew Keng	48,000	0.20
26	SEAH HONG GHEE (GEE) @ CHAIR KOW	45,000	0.19
27	WONG AH SENG	43,000	0.18
28	LEE BENG HWA	40,000	0.17
29	AMSEC NOMINEES (ASING) SDN BHD FRASER SECURITIES PTE LTD for Ng Poh Guat @ Ng Poh Guan	40,000	0.17
30	HONG LEONG FINANCE BERHAD Pledged Securities Account for Chua Hak Yee	39,000	0.16
		20,201,455	84.17

Statement Of Directors' Interest In The Company And Related Corporations

As At 26 April 2004

THE COMPANY

A. ORDINARY SHARES

Directors	Ordinary Shares of RM1.00 each			
	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
Datuk Pang Chin Hin	6,957,225 ⁽ⁱ⁾	11.44	4,595,045 ⁽ⁱⁱ⁾	7.55
Tunku Osman Ahmad	190,000	0.31	-	-
Pang Tee Chew	14,224,102 ⁽ⁱⁱⁱ⁾	23.38	272,498 ^(iv)	0.45
Pang Tee Suan	5,764,018	9.48	328,831 ^(v)	0.54
Pang Tee Nam	5,980,181	9.83	257,164 ^(v)	0.42
Mohamed Nizam Bin Abdul Razak	1,133,333 ^(vi)	1.86	-	-
Dato' Dr Shanmughalingam A/L Murugasu	-	-	-	-

Note:

- (i) 2,241,666 and 1,333,333 ordinary shares of the Company are held through Malaysia Nominees (Tempatan) Sdn. Bhd. and Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. respectively.
- (ii) Deemed interested by virtue of his shareholding in Tanah Subor Sdn. Bhd., his wife's direct shareholding in the Company and indirect shareholding via Pacific Food Sales and Service Sdn. Bhd. and his daughters' direct shareholdings in the Company. Tanah Subor Sdn Bhd holds 157,166 ordinary shares in the Company and Pacific Food Sales and Service Sdn. Bhd holds 78,332 ordinary shares in the Company.
- (iii) 2,700,000 ordinary shares of the Company are held through Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd.
- (iv) Deemed interested by virtue of his shareholdings in Tanah Subor Sdn. Bhd., his wife's direct shareholdings in the Company and indirect shareholdings via Pacific Food Sales and Service Sdn. Bhd. and his daughter's and son's direct shareholdings in the Company.
- (v) Deemed interested by virtue of his shareholdings in Tanah Subor Sdn. Bhd., his wife's direct shareholdings in the Company and indirect shareholdings via Pacific Food Sales and Service Sdn. Bhd.
- (vi) 983,333 ordinary shares of the Company are held through PB Securities Nominees (Tempatan) Sdn. Bhd.

B. WARRANTS 1998/2008

Directors	Warrants 1998/2008			
	Direct Interest		Deemed Interest	
	No. of warrants	%	No. of warrants	%
Datuk Pang Chin Hin	2,148,999	8.95	6,116,207 ⁽ⁱ⁾	25.49
Tunku Osman Ahmad	-	-	-	-
Pang Tee Chew	5,571,342	23.21	4,480,655 ⁽ⁱⁱ⁾	18.67
Pang Tee Suan	2,268,407	9.45	4,476,655 ⁽ⁱⁱⁱ⁾	18.65
Pang Tee Nam	2,346,000	9.78	4,483,655 ⁽ⁱⁱ⁾	18.68
Mohamed Nizam Bin Abdul Razak	-	-	-	-
Dato' Dr Shanmughalingam A/L Murugasu	-	-	-	-

Statement Of Directors' Interest In The Company And Related Corporations

As At 26 April 2004 (c o n t ' d)

B. WARRANTS 1998/2008 (cont'd)

Note:

- (i) Deemed interested by virtue of warrants held by Tanah Subor Sdn. Bhd., his wife and his daughters.
- (ii) Deemed interested by virtue of warrants held by Tanah Subor Sdn. Bhd and his wife.
- (iii) Deemed interested by virtue of warrants held by Tanah Subor Sdn. Bhd.

SUBSIDIARIES

1. MDD BEVERAGE SDN. BHD.

Directors	Ordinary Shares of RM1.00 each			
	Direct Interest		Deemed Interest	
	No.	%	No.	%
Pang Tee Nam	1	-	-	-

2. PACIFIC PLANTATIONS SDN. BHD.

Directors	Ordinary Shares of RM1.00 each			
	Direct Interest		Deemed Interest	
	No.	%	No.	%
Datuk Pang Chin Hin	6,001	0.13	20,000 ⁽ⁱ⁾	0.44
Pang Tee Chew	6,002	0.13	24,000 ⁽ⁱⁱ⁾	0.53
Pang Tee Suan	17,000	0.38	-	-
Pang Tee Nam	-	-	20,000 ⁽ⁱⁱⁱ⁾	0.44

Note:

*i Deemed interested by virtue of shares held by his wife and his daughter.

*ii Deemed interested by virtue of shares held by his wife.

By virtue of their interests in the shares of the Company, Datuk Pang Chin Hin, Pang Tee Chew, Pang Tee Suan and Pang Tee Nam are also deemed to be interested in the shares of all the subsidiaries of the Company to the extent the Company has an interest.

List Of Properties Held

Location	Description	Existing use	Approximate age of building (Year)	Land Area	NBV as at 31.12.2003 (RM)
Plot 1 & Plot PT3659, Mukim of Bukit Katil, District of Melaka Tengah Melaka	Leasehold industrial building (99 years expiring 15.07.2070 & 27.02.2090)	Factory/ Head Office	29	2.54 acres (Built-up : 80,000 sq. ft.)	4,513,940
Lots 6998S & 6999S, Bandar Ipoh, Daerah Kinta Perak Darul Ridzuan	Freehold two-storey intermediate shophouses	Vacant	21	3,080 sq. ft. (Built-up : 2,200 sq. ft.)	170,716
Lot PTD, 10081, HS(D) 12482, Township of Johore Bahru, Johor Darul Takzim	Freehold two-storey intermediate shophouses	Vacant	23	1,540 sq. ft. (Built-up : 2,700 sq. ft.)	163,406
GM 6374, PT 20705 Mukim of Kuala Kuantan, District of Kuantan, Pahang Darul Makmur	Freehold two-storey corner terrace house	Vacant	20	2,228 sq. ft. (Built-up : 1,400 sq. ft.)	99,125
Lot No : 8177 Town of Seremban District of Seremban Negeri Sembilan	Freehold two-storey end-terrace shophouses	Vacant	28	1,600 sq. ft. (Built up : 3,060 sq. ft.)	103,325
PT 10182 HS (D) 3990 Mukim of Kuala Kuantan District of Kuantan Pahang Darul Makmur	Leasehold industrial building (66 years expiring 1.1.2045)	Factory/ Office	25	5.129 acres (Built up : 48,800 sq. ft.)	1,940,368
Lot 203 & Lot 204 Pengkalan Maju Industrial Park Mukim Maju Kinta, Perak.	Leasehold 1 storey industrial building (99 years expiring 18.7.2092)	Office/ Store	8	20,000 sq. ft. (Built-up : 5,810 sq. ft.)	410,855
No. 9, 1130 Lane, TongPu Road, PuTuo District, Shanghai China 200333	Leasehold 3 storey industrial building (50 years expiring 15.08.2050)	Office/ Store	4	2,923.25 sq. meter (Built-up : 2,102 sq. meter)	2,427,271
CL24531946 District of Kunak, Sabah	Leasehold cocoa plantation (99 years expiring 31.12.2071)	Plantation		1,000 acres	5,535,761
Lot PT13, Mukim of Bukit Katil, District of Melaka Tengah Melaka	Leasehold industrial building (99 years expiring 13.06.2071)	Factory	21	2 acres (Built-up : 95,000 sq. ft.)	3,182,947
H.S.(M) 9720, PT 11551, Sek.13, Mukim of Kajang District of Hulu Langat Selangor Darul Ehsan	Leasehold industrial building (99 years expiring 23 August 2086)	Factory/office	16	3.08 acres	5,986,668

List Of Properties Held (cont'd)

Location	Description	Existing use	Approximate age of building (Year)	Land Area	NBV as at 31.12.2003 (RM)
Lot 793, Mukim of Damansara, District of Petaling	Freehold industrial land	Office/ Store	9	2.87 acres	12,924,932
Lot 794, Mukim of Damansara District of Petaling	Freehold industrial land	Vacant		2.875 acres	2,458,808
PT 10034, HS (D) 3928, Mukim of Kuala Kuantan District of Kuantan Pahang Darul Makmur	Leasehold industrial building (66 years expiring 18.07.2044)	Office/ Store	20	6,424 sq. ft. (Built-up : 8,721 sq. ft.)	119,323
Lot 9 & 10, Air Keroh Industrial Estate Phase IV Air Keroh, Melaka	Leasehold industrial land (99 years expiring year 2091)	Vacant		517,806 sq.ft.	3,222,397
Luzhi Economic Development Zone Luzhi Town Wu County Suzhou Jiang Su Province China, 215127	Leasehold (50 years expiring year 2042)	Factory/ Office		2.2 Hectares	5,766,420
Level 1, Block AD, Good Year Court 10, Subang Perdana, Phase 9, Selangor	Apartment	Apartment			167,840
Lot 35, Kawasan Perusahaan Pengkalan Chepa 2, Mukim Pachor, Seksyen 44, Kota Bahru	Leasehold 2 storey building (66 years expiring 19.12.2060)	Warehouse/ Office	6	11,000 sq. ft.	941,740
Lot 4338, Mukim Bukit Katil Daerah Melaka Tengah Melaka	Leasehold 1 storey industrial building (expiring 30.05.2072)	Warehouse	28	150,523 sq.ft.	6,679,826
Plot No.41, Trunk Road, Pyinmabin Industrial Complex, Mingaladon Township, Htauk Kyant Yangon Myanmar	Leasehold (25 years expiring year 2022)	Warehouse/ Office	6	17,011 sq. metres	2,389,926
Lot 259 Tebrau IV Industrial Area, Johor Bahru, Johor Darul Takzim	Leasehold industrial land (99 years)	Vacant		2.456 acres	1,702,676
					60,908,270

Branches Network

The Group now has branches that spans across Peninsula Malaysia and East Malaysia, which are strategically located in the main towns. With this distribution network, we are able to serve our dealers and retailers more effectively and efficiently.

Our branches details are as follows:

- **PENANG**
Plot 88C, Phase 4, Mukim 12,
Kawasan Perusahaan Bayan Lepas,
11900 Pulau Pinang
Tel : 04-6436345/6461129
Fax : 04-6469032
- **KUANTAN**
No. 3B, Jalan IM3/6
Kawasan Perindustrian Indera Mahkota 3
Bandar Indera Mahkota, 25200 Kuantan, Pahang
Tel : 09-573 3177
Fax : 09-573 3616
- **IPOH**
No 14, Off Jalan Persiaran
Kilang Pengkalan 28,
Kawasan Perindustrian Pengkalan Maju
31500 Pengkalan Ipoh
Perak Darul Ridzuan
Tel: 05-322 2318/9886
Fax: 05-322 9885
- **MELAKA**
Lot 1 Air Keroh Industrial Estate
75450 Melaka
Tel : 06-232 4466-9
Fax : 06-231 2812
- **JOHOR BAHRU**
No 4, Jalan Arung
Kawasan Perindustrian Taman Johor
81200 Johor Bahru
Johor Darul Takzim
Tel : 07-236 6610/3
Fax : 07-238 2917
- **MENTAKAB**
No 16 & 17, Jalan Seraya
Taman Rimba, 28400 Mentakab
Pahang Darul Makmur
Tel : 09-278 3309/277 8997
Fax : 09-277 8997
- **KOTA BAHRU**
Lot 35, Kawasan Perusahaan Pengkalan Chepa II
Mukim Panchor, Seksyen 44,
Daerah Kemumin, 16100 Kota Bahru
Kelantan Darul Naim
Tel : 09-774 2811/6388
Fax : 09-774 1197
- **SEREMBAN**
No 4, Jalan Lombong Emas 12
Seremban Light Industrial Park 2
Jalan Tun Dr Ismail
70200 Seremban
Tel : 06-761 1850
Fax : 06-764 9451
- **KUALA TERENGGANU**
Lot 12042, Kampung Banggol Pauh
21300 Kuala Nerus, Kuala Terengganu
Terengganu Darul Iman
Tel : 09-667 1698
Fax : 09-667 1695
- **SABAH**
1/3 Lot 17, Block C
Inanam Business Centre
Mile 6, Jalan Tuaran
88450 Kota Kinabalu
Tel : 088-422834
Fax : 088-429 469
- **SUBANG JAYA**
Lot 793, Off Jalan SS 13/1K
Mukim Damansara
47500 Subang Jaya, Selangor
Tel : 03-5632 5588
Fax : 03-5631 0822
- **SARAWAK**
Lot 7576, 1st Floor
Wisma Hii Yii Ngilik
Jalan Kwong Lee Bank
93450 Kuching Sarawak
Tel : 082-337 166
Fax : 082-334 391

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Proxy Form

MAMEE-DOUBLE DECKER (M) BERHAD

(Incorporated in Malaysia - Co. No. 222363-T)

I/We _____ of _____

being a member/members of MAMEE-DOUBLE DECKER (M) BERHAD do hereby appoint _____ (IC. No. _____) of _____

or failing him, _____ (IC. No. _____) of _____ or failing

him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held on Tuesday, 22 June 2004 at 11:00 a.m. at the Orchid Room, Level 6, Eden Garden Hotel, Kompleks Bebas Cukai Johor Bahru, No. 88, Jalan Ibrahim Sultan, Stulang Laut, 80300 Johor Bahru, Johor Darul Takzim and at any adjournment thereof.

No.	RESOLUTION	FOR	AGAINST
1	To receive the Audited Financial Statements and Reports.		
2	Re-appointment of Director - Datuk Pang Chin Hin		
3	Re-appointment of Director - Y.A.M. Tunku Osman Ahmad		
4	Re-election of Director - Mr Pang Tee Chew		
5	Re-election of Director - Mr Pang Tee Suan		
6	Re-election of Director - Dato' Dr Shanmughalingam A/L Murugasu		
7	Approval of Directors' Fees.		
8	Declaration of Final Dividend.		
9	Re-appointment of PricewaterhouseCoopers as Auditors		
Special Business:			
10	Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965.		
11	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with PT Pacific Food Indonesia.		
12	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Yang-Yang Co. Ltd.		
13	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Myanmar Mamee-Double Decker Ltd.		
14	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions with Mamee-Double Decker Foods (Suzhou) Co Ltd.		
15	Proposed Renewal of Shareholders' Mandate for Proposed Shares Buy-Back by the Company.		

(Please indicate with a cross (X) in the spaces whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he thinks fit.)

Number of shares held _____

Dated this _____ day of _____ 2004.

Signature of Member/Members

Note :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
2. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same Meeting.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
4. Where a member is an authorized nominee as defined under the Central Depositories Act, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of an officer or attorney duly authorised.
6. The Proxy Form must be deposited with the Company Secretary at the Registered Office, Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Ta'zim not less than 48 hours before the time set for the Meeting.

fold

STAMP

THE COMPANY SECRETARY
MAMEE-DOUBLE DECKER (M) BERHAD
(Co. No. 222363-T)
Suite 1301, 13th Floor, City Plaza, Jalan Tebrau,
80300 Johor Bahru, Johor Darul Takzim

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