

Celebrating Our Success

The Company received the prestigious KLSE Corporate Excellence Award 2003 (Main Board Category) in February 2004. The award, a major milestone for the Company, was given in recognition of the Group's commitment to implementing and practising the highest standards of Corporate Governance. The award also marks AIC Corporation Berhad's practice of maintaining an open and transparent approach to its investors relations and shareholders communications programme.



AIC Corporation Berhad (AIC) was incorporated in March 1990 and is currently listed on the Main Board of the Malaysia Securities Exchange Berhad. AIC aspires to be a leading company providing cutting-edge technology and solutions, including higher value-added design and engineering services to high-tech industries such as semiconductor and display. The semiconductor division of AIC is a fabless integrated semiconductor group providing one-stop solution services for the design, assembly, test and distribution of integrated circuit chips while the display division designs, develops, manufactures and markets multimedia displays including plasma and TFT-LCD televisions and monitors.



Receiving the KLSE Corporate Sectoral Award 2001 (Main Board – Technology Sector)



Receiving the KLSE Corporate Sectoral Award 2002 (Main Board – Technology Sector)

Achievements

- 2000 – KLSE Corporate Sectoral Award Second Board Industrial Products Category
- 2001 – KLSE Corporate Sectoral Award Main Board Technology Category
- 2002 – KLSE Corporate Sectoral Award Main Board Technology Category
- 2003 – KLSE Corporate Excellence Award Main Board

KLSE Corporate Awards 2003



Main Board

Second Board

 Public Services Berhad	 AIC CORP AIC Corporation Berhad	 Pharmaniaga Berhad	 SEI International Berhad
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AIC CORPORATION BERHAD

Our Vision

Leading Malaysia in Technology

Our Mission

To do an excellent job for our customers, employees and shareholders by becoming a world class technology company through continuously harnessing innovation and improvement in management, product and services.

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Notice of Fourteenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of AIC Corporation Berhad ("AIC" or "the Company") will be held at Wisma AIC, Lot 3, Persiaran Kemajuan, Seksyen 16, 40200 Shah Alam, Selangor Darul Ehsan on Thursday, 27 May 2004 at 10.00 a.m. for the following purposes:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 December 2003 together with the Directors' and Auditors' Reports thereon. Ordinary Resolution 1
2. To declare a First and Final Tax-Exempt Dividend of 1% for the year ended 31 December 2003. Ordinary Resolution 2
3. To approve the payment of Directors' fees of RM95,420.00 for the year ended 31 December 2003. Ordinary Resolution 3
4. To re-elect the following Directors who are retiring in accordance with Article 101 of the Company's Articles of Association:-
 - 4.1 Tuan Haji Mohd Ali bin Bawal Ordinary Resolution 4
 - 4.2 Encik Mamat @ Mohamed bin Hussain Ordinary Resolution 5
5. To re-elect Mohamad Ariff bin Puteh who is retiring in accordance with Article 106 of the Company's Articles of Association. Ordinary Resolution 6
6. To re-appoint Messrs KPMG as the Company's Auditors and to authorise the Board of Directors to fix their remuneration. Ordinary Resolution 7
7. **As Special Business**
To consider and, if thought fit, pass with or without modifications, the following resolutions as Ordinary Resolution:-
 - Authority to allot and issue shares in general pursuant to Section 132D of the Companies Act, 1965** Ordinary Resolution 8
"THAT, subject always to the approvals of the relevant authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company at the time of issue and the Directors are hereby further empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Malaysia Securities Exchange Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."
8. To transact any other business of the Company of which due notice shall be given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

Notice of Fourteenth Annual General Meeting

(Continued)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a First and Final Tax-Exempt Dividend of 1% in respect of the financial year ended 31 December 2003 will be payable on 11 June 2004 to depositors registered in the Records of Depositors at the close of business on 28 May 2004.

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

- a) Shares transferred to the Depositor's Securities account before 4.00 p.m. on 28 May 2004 in respect of ordinary transfers; and
- b) Shares bought on the Malaysia Securities Exchange Berhad on a cum entitlement basis according to the Rules of the Malaysia Securities Exchange Berhad.

BY ORDER OF THE BOARD

LIM PHOOI KEE (MIA 2759)

CHEN HENG MUN (MIA 10264)

NG YIM KONG (LS 0008343)

Company Secretaries

Shah Alam

Date : 28 April 2004

Notes

1. A member of the Company entitled to present and to vote at the Fourteenth Annual General Meeting is entitled to appoint a proxy/proxies, to attend and vote instead of him. A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person appointed by the Companies Commission of Malaysia.
2. Where a member appoints two or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy must be deposited at Level 17, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur at least forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof.

Explanatory notes on special business of the Agenda

Item 7

The Ordinary Resolution proposed under item 7 is in line with the Company's expansion plan which may involve the issue of new shares. Under Section 132D of the Companies Act, 1965, the Directors would have to call for a general meeting to approve the issue of new shares even though the number of shares involved is less than 10% of the issued share capital of the Company for the time being. In order to avoid any delay and costs involved in convening a general meeting, it is thus considered appropriate to seek the shareholders' approval for Directors of the Company to issue shares in the Company up to an aggregate amount of not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company and also to empower Directors to obtain approval from the Malaysia Securities Exchange Berhad for the listing of and quotation for additional shares issued. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

Statement Accompanying Notice of Fourteenth Annual General Meeting

Pursuant to paragraph 8.28 (2) of the Malaysia Securities Exchange Berhad Listing Requirements appended hereunder are: -

1. Place, date and time of the Fourteenth Annual General Meeting

Date of Meeting	Time	Place
27 May 2004	10.00 a.m.	Wisma AIC Lot 3, Persiaran Kemajuan Seksyen 16 40200 Shah Alam Selangor Darul Ehsan

2. A total of eight Board of Directors' Meetings were held during the financial year ended 31 December 2003. The place, date and time of the Board of Directors' Meetings are as follows :-

Date of Meeting	Time	Place
24 February 2003	2.30 p.m.	Shah Alam
12 March 2003	2.30 p.m.	Shah Alam
13 May 2003	2.30 p.m.	Shah Alam
9 July 2003	9.00 a.m.	Shah Alam
14 August 2003	3.00 p.m.	Shah Alam
4 September 2003	2.30 p.m.	Shah Alam
21 November 2003	2.30 p.m.	Shah Alam
11 December 2003	2.30 p.m.	Shah Alam

3. Details of Directors' attendance at Board Meetings are as follows:-

Name of Director	Attendance	%
Y. Bhg. Datuk Haji Sarip bin Hamid	8/8	100
Mohamad Ariff bin Puteh	8/8	100
Tuan Haji Mohd. Ali bin Bawal	8/8	100
Prof. Madya Dato' Haji Mohd. Mokhtar bin Haji Shafii	8/8	100
Encik Mamat @ Mohamed bin Hussain	8/8	100
Encik Md Yusof bin Hussin	8/8	100

4. Details of Directors standing for re-election as in Ordinary Resolutions 4, 5 and 6 of the Notice of the Fourteenth Annual General Meeting of the Company are as follows :-

i. Directors to retire pursuant to Article 101 of the Company's Articles of Association are:-

Tuan Haji Mohd Ali bin Bawal

Malaysian, aged 55, Haji Mohd Ali bin Bawal is a Non-Executive Director of AIC effective May 2003. He was previously appointed to the Board as Executive Director on 1 June 1990. He retired as Executive Director on 12 May 2003. He graduated with a Diploma in Plantation Industries Management from MARA Institute of Technology in 1970 and a Masters of Business Administration degree from the Oklahoma City University, USA in 1990.

He has more than 30 years of invaluable managerial and entrepreneurial experience in businesses ranging from plantation management, property development, manufacturing and trading. Prior to his appointment to the Board, he worked as a Manager with Kumpulan Guthrie Berhad, a group of companies which is involved in the plantation industry, from 1968 to 1987 and thereafter joined Hamodal Sdn. Bhd., a property investment company, as the Managing Director in 1990. He is also the Chairman of Halton Manufacturing Sdn. Bhd., a company involved in the manufacturing of air conditioning parts and ventilation system. He is also the Non-Executive Director of Jotech Holdings Berhad and sits on the board of other companies within the AIC Group and other private companies.

Statement Accompanying Notice of Fourteenth Annual General Meeting

(Continued)

Encik Mamat @ Mohamed bin Hussain

Malaysian, aged 57, Mamat @ Mohamed bin Hussain was appointed to the Board as an Independent and Non-Executive Director on 23 October 1996. He is a member of the Audit Committee and has also become a member of the Nomination and Remuneration Committee since August 2001. He graduated with a Bachelor's degree in Mechanical Engineering from Brighton Polytechnic (United Kingdom) in 1970. Prior to joining the Board, he was the Managing Director of Petromal Sdn. Bhd., a company involved in petroleum business from 1981 to 1996. In August 1996, he was appointed the Chief Executive of MTZ Sdn. Bhd., a general trading and contracting company. He also sits on the board of several other private companies.

ii. Director to retire pursuant to Article 106 of the Company's Articles of Association is:-

Mohamad Ariff bin Puteh

Malaysian, aged 55, Mohamad Ariff bin Puteh is the Executive Director and Group President/Chief Executive Officer of AIC Group. He was appointed to the Board on 6 November 2001. He retired as Executive Director on 8 September 2003 and was re-appointed as the Group President/Chief Executive Officer on 15 September 2003. He joined the Group in 1991 and has since been in charge of the daily operations of the AIC Group. He graduated with an Honours degree in Economics majoring in Business Administration from the University of Malaya in 1971 and a Post Graduate Diploma in Islamic Studies from Universiti Kebangsaan Malaysia in 1985.

Mohamad Ariff bin Puteh has more than 30 years of managerial and entrepreneurial experience in managing businesses. Prior to joining the AIC Group, he worked as the Director of Projects in Asteria Sdn. Bhd., an investment holding company with subsidiaries involved in the manufacturing and trading of telephone and telecommunication equipment, letting of properties and the operation of petrol kiosk and service stations, from 1988 to 1990.

He is the Chairman of Nucleus Electronics Ltd and he also sits on the Board of Autoindustries Ventures Berhad, a company listed on the Second Board of the MSEB which is principally involved in the automotive business.

5. Additional information on Directors who are standing for re-election :-

Please refer to the Directors' Profile on page 16 to 18.

Group Quarterly Performance and Financial Calendar

FINANCIAL PERFORMANCE

(RM '000)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Revenue	72,840	89,068	96,597	178,555	437,060
Profit/(Loss) before taxation	(4,993)	(2,090)	(1,210)	2,394	(5,899)
Profit/(Loss) attributable to shareholders	(4,400)	(3,164)	(2,099)	(1,544)	(11,207)
Basic earnings per share (sen)	(6.48)	(4.66)	(3.04)	(2.29)	(16.47)

FINANCIAL CALENDAR

Financial Year

1 January 2003 to 31 December 2003

Announcement of results

First Quarter	Announced	16 May 2003
Second Quarter	Announced	22 August 2003
Third Quarter	Announced	21 November 2003
Fourth Quarter	Announced	20 February 2004

Dividend

First and Final tax exempt dividend of 1.0 sen*

- Announced on 20 February 2004
- Entitlement date 28 May 2004
- Payable on 11 June 2004

* Subject to shareholders' approval on 27 May 2004

Issue of Financial Year 2003 Annual Report

28 April 2004

Annual General Meeting

27 May 2004

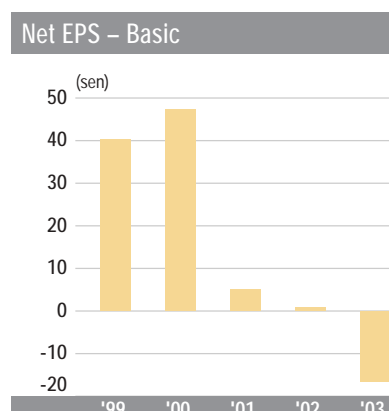
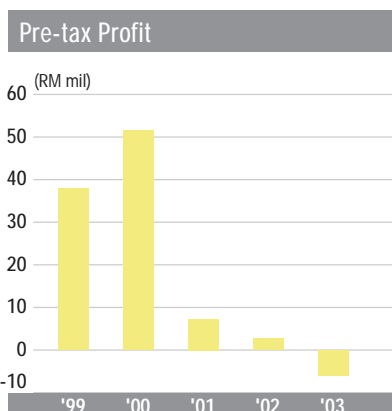
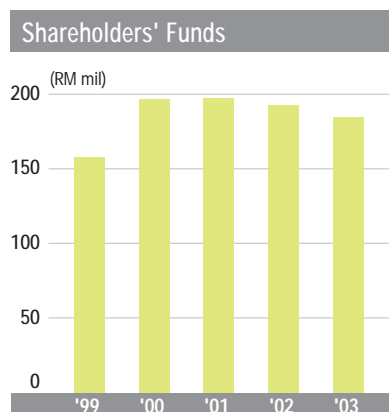
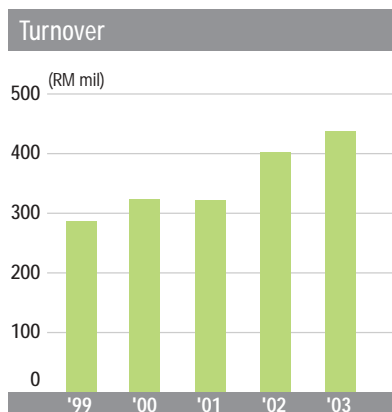
Five Years Financial Review

FINANCIAL YEARS ENDED 31 DECEMBER AUDITED (RM '000)

	1999 <i>(Restated)</i>	2000	2001	2002 <i>(Restated)</i> ^	2003
Turnover	286,440	322,808	321,672	403,014	437,060
Profit/(loss) before taxation	37,897	51,549	7,278	2,687	(5,899)
Profit/(loss) after taxation	35,552	44,680	3,304	1,433	(9,335)
Net profit/(loss) attributable to ordinary shareholders	26,555	32,259	3,448	604	(11,207)
Net earnings/(loss) per share (sen) – basic	40.20*	47.30	5.07	0.89	(16.47)
Property, plant and equipment	170,283	172,760	178,547	177,251	173,286
Total assets	422,886	452,395	442,658	455,806	486,278
Shareholders' funds	158,128	196,994	197,370	191,921	183,649
Net tangible assets	120,975	158,335	157,407	157,638	123,556
Long term debt	113,057	98,299	78,703	60,381	63,144
Long term debt / Shareholders' funds	0.71	0.49	0.40	0.31	0.34
Pre-tax profit/(loss) / Turnover (%)	13.21	15.97	2.26	0.67	(1.35)
Pre-tax profit/(loss) / Equity (%)	115.65	75.50	10.71	3.90	(8.44)
Pre-tax profit/(loss) / Total assets (%)	8.96	11.39	1.64	0.59	(1.21)
Pre-tax profit/(loss) / Shareholders' funds (%)	23.97	26.17	3.69	1.40	(3.12)
Current ratio (times)	1.6	2.0	1.9	1.6	1.5

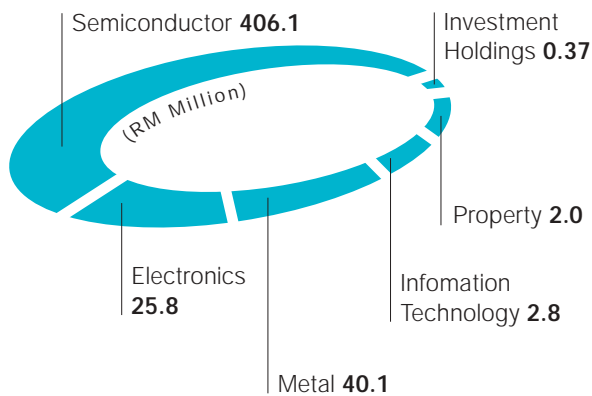
* Adjusted by bonus issue of 34,122,673 which was allotted on 23 June 2000

^ Adjusted as a result of adoption of MASB 25 and to conform to Year 2003's presentation

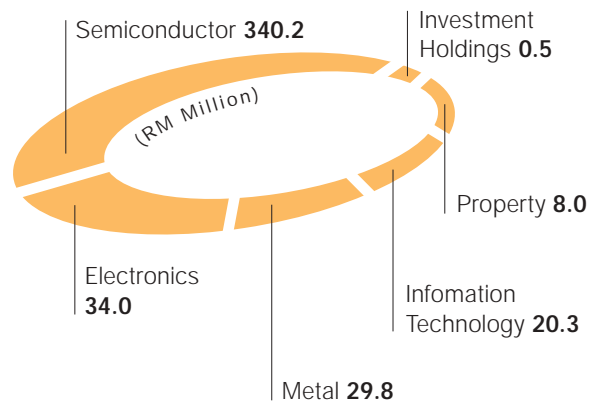


Financial Summary by Divisions

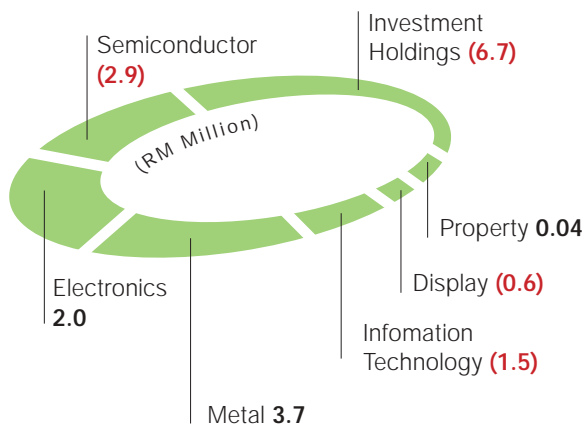
Turnover 2003



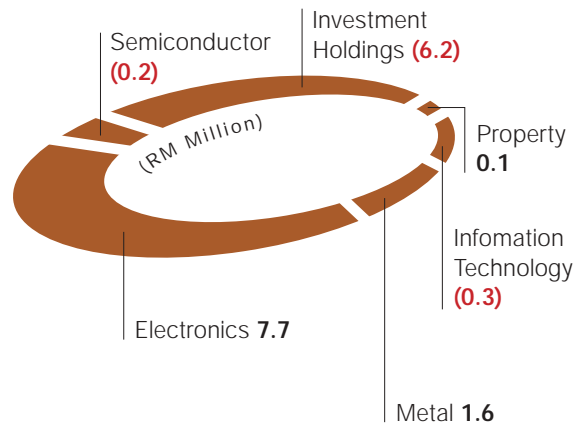
Turnover 2002



Pre-tax Profit / (Loss) 2003

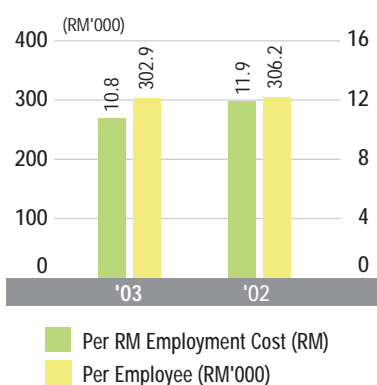


Pre-tax Profit / (Loss) 2002

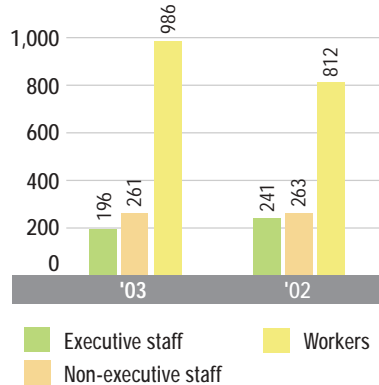


Employees and Productivity

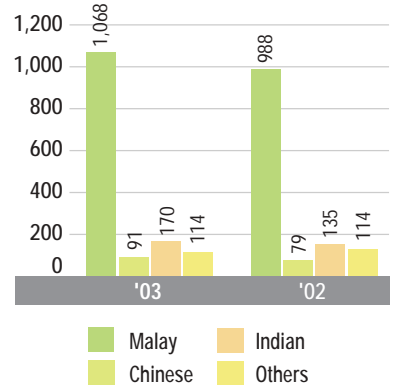
Productivity – Turnover



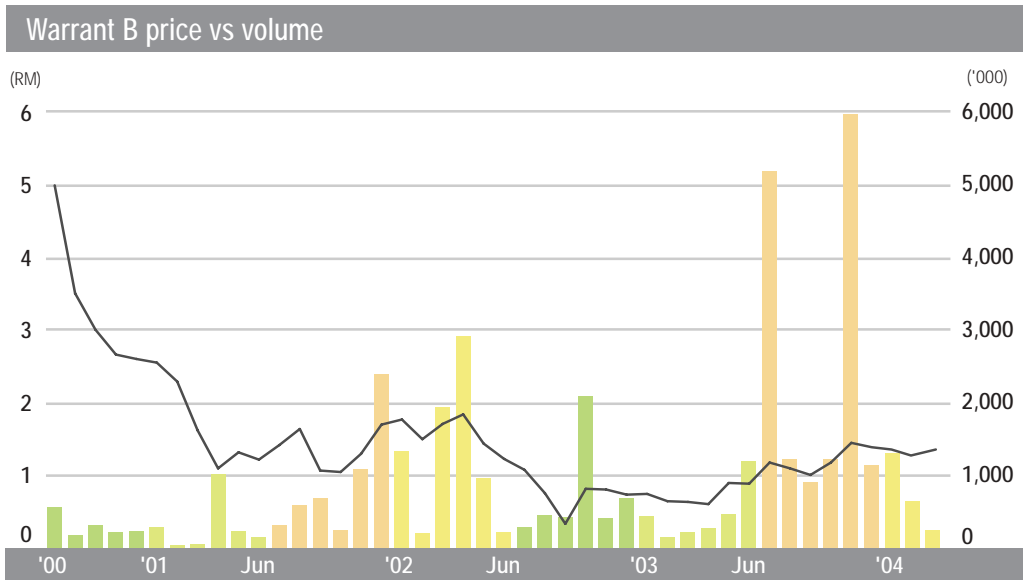
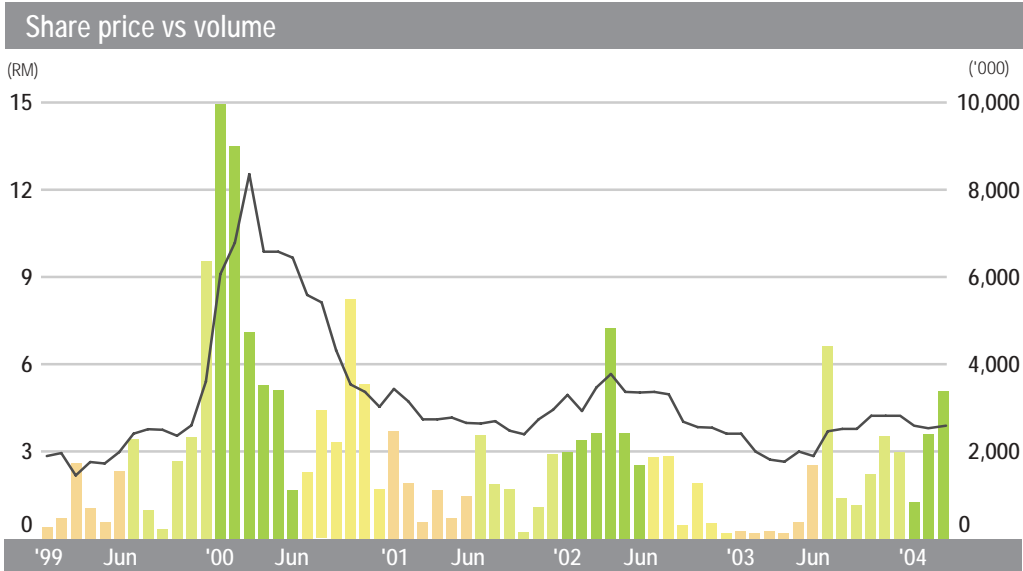
Employees by classification



Employees by ethnic composition



Performances of Shares and Warrants



— Price ■ Volume