

Directors' Report

for the year ended 31 December 2000

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2000.

Principal activities

The principal activity of the Company is investment holding.

The principal activities of its subsidiaries are stated in Note 3 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Net profit for the year	9,495,696	<u>17,229,799</u>

Dividend

During the year, the Company paid a final tax exempt dividend of 30.877% per ordinary share amounting to RM3 million in respect of the financial year ended 31 December 1999, as proposed in the Directors' report for that financial year.

The first and final tax exempt dividend recommended by the directors in respect of the year ended 31 December 2000 is 5.0% per ordinary share totalling RM2 million.

Reserves and provisions

All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.

Directors of the company

The directors who served since the date of the last report are:

Datuk Haji Sarip bin Hamid
Tuan Haji Mohd Ali bin Bawal
Liew Cheng York
Ooi Boon Pin
Lim Siok Hui
Chew Siew Hong
Tuan Haji Rahim bin Kassim
Ashari bin Ayub (appointed on 9.6.2000)
Lasa bin Mat Desa (appointed on 9.6.2000)

In accordance with the Company's Articles of Association, Liew Cheng York and Ooi Boon Pin retire by rotation from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with the Company's Articles of Association, Lasa bin Mat Desa and Ashari bin Ayub who were appointed to the Board since the last Annual General Meeting retire from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Directors' Report

for the year ended 31 December 2000

Directors' interest

According to the Register of Directors' Shareholdings, particulars of interests of the Directors holding office at the end of the financial year in the shares of the Company are as follows:-

	Number of Ordinary Shares of RM1 each			Balance at 31.12.2000
	Balance at 1.1.2000	Bonus/Rights Issue/ Purchase	Sold	
Shares in the Company				
Direct interest				
Datuk Haji Sarip bin Hamid	-	10,000	-	10,000
Tuan Haji Mohd Ali bin Bawal	-	10,000	-	10,000
Liew Cheng York	2,015,119	5,046,432	(348,286)	6,713,265
Ooi Boon Pin	971,617	2,438,384	(526,000)	2,884,001
Lim Siok Hui	899,733	2,258,723	(215,714)	2,942,742
Chew Siew Hong	777,293	1,952,706	(709,600)	2,020,399
Tuan Haji Rahim bin Kassim	-	10,000	-	10,000
Ashari bin Ayub	-	10,000	-	10,000
Lasa bin Mat Desa	-	10,000	-	10,000
Indirect interest				
Datuk Haji Sarip bin Hamid	3,886,465	9,713,528	-	13,599,993
Tuan Haji Mohd Ali bin Bawal	3,886,465	9,713,528	-	13,599,993

None of the other Directors in office at the end of the financial year held any interest in the shares of its related corporations during the financial year.

By virtue of Liew Cheng York having interest of more than 15% in the shares of the Company, she is deemed to have an interest in the issued share capital of all the subsidiaries held by the Company during the financial year.

Directors' benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements) by reason of a contract made by the Company or a related company with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares

During the financial year, the Company issued the following shares:-

Class of Shares	Number of Shares	Terms of Issue	Purpose of Issue
Ordinary shares	20,037,110	Two (2) for one (1)	Bonus issue
Ordinary shares	4,246,723	Three (3) for seven (7) at RM1.00 per ordinary share	Rights issue
Ordinary shares	6,000,000	RM2.10 per ordinary share for cash	Initial public offering

Directors' Report

for the year ended 31 December 2000

Options granted over unissued shares or warrants

No options were granted to any person to take up unissued shares or debentures of the Company during the year.

Other statutory information

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

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

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

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

At the date of this report there does not exist:

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

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

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2000 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

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

Signed in accordance with a resolution of the directors:

.....Director

DATUK HAJI SARIP BIN HAMID

.....Director

OOI BOON PIN

Shah Alam,

9 February 2001

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, DATUK HAJI SARIP BIN HAMID and OOI BOON PIN, being two of the directors of JOTECH HOLDINGS BERHAD state that, in the opinion of the directors, the financial statements set out on pages 23 to 41, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2000 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the directors:

.....Director
DATUK HAJI SARIP BIN HAMID

.....Director
OOI BOON PIN

Shah Alam,

9 February 2001

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, LEONG LUP YAN, the officer primarily responsible for the financial management of JOTECH HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 23 to 41 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
LEONG LUP YAN at Kuala Lumpur in the Federal
Territory on **9 February 2001**

LEONG LUP YAN

BEFORE ME:
Commissioner for Oaths

Report of The Auditors

to The Members of Jotech Holdings Berhad

We have audited the financial statements set out on pages 23 to 41. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 31 December 2000 and the results of their operations and cash flows of the Group and the Company for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and

- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

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.

None of the audit reports on the financial statements of the subsidiaries were subject to any qualification nor included any comment under sub-section (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Public Accountants

HEW LEE LAM SANG
Partner
Approval Number: 1862/10/01(J)

Kuala Lumpur,

9 February 2001

Group Balance Sheet

at 31 December 2000

	Note	2000 RM	1999 RM
Property, plant and equipment	2	36,581,231	24,935,188
Goodwill on consolidation	4	5,564,707	5,829,694
Current assets			
Inventories	5	12,757,358	10,654,943
Trade and other receivables	6	18,063,549	16,608,636
Cash and cash equivalents	7	19,586,565	10,195,151
		<u>50,407,472</u>	<u>37,458,730</u>
Current liabilities			
Trade and other payables	8	15,075,348	12,795,329
Borrowings (secured)	9	6,099,430	4,335,326
Proposed dividend		2,000,000	3,000,000
Taxation		172,866	103,484
		<u>23,347,644</u>	<u>20,234,139</u>
Net current assets		<u>27,059,828</u>	<u>17,224,591</u>
		<u>69,205,766</u>	<u>47,989,473</u>
Financed by:-			
Capital and reserves			
Share capital	10	40,000,000	9,716,167
Reserves		21,476,146	28,526,062
		<u>61,476,146</u>	<u>38,242,229</u>
Long term and deferred liabilities			
Deferred taxation	11	1,700,000	526,000
Borrowings (secured)	9	6,029,620	9,221,244
		<u>69,205,766</u>	<u>47,989,473</u>

The notes set out on pages 30 to 41 form an integral part of, and should be read in conjunction with, these financial statements.

Group Income Statement

for the year ended 31 December 2000

	Note	2000 RM	1999 RM
Revenue		107,582,053	90,499,135
Operating profit	12	13,293,967	10,469,786
Financing costs	14	(1,169,271)	(1,282,330)
Profit before tax		12,124,696	9,187,456
Tax expense	15	(2,629,000)	410,874
Net profit for the year		9,495,696	9,598,330
Basic earnings per ordinary share (sen)	16	27.46	32.26
Dividend per ordinary share (sen)		5.00	30.88

The notes set out on pages 30 to 41 form an integral part of, and should be read in conjunction with, these financial statements.

Group Statement of Changes In Equity

for the year ended 31 December 2000

	Share capital RM	Non-distributable Share premium RM	Distributable Retained profits RM	Total RM
At 1 January 1999	9,716,167	4,580,635	17,347,097	31,643,899
Net profit for the year	-	-	9,598,330	9,598,330
Dividend	-	-	(3,000,000)	(3,000,000)
At 31 December 1999	9,716,167	4,580,635	23,945,427	38,242,229
Net profit for the year	-	-	9,495,696	9,495,696
Dividend	-	-	(2,000,000)	(2,000,000)
Share issue expenses	-	(1,108,502)	-	(1,108,502)
Bonus issue/(Capitalisation for bonus issue)	20,037,110	(4,580,635)	(15,456,475)	-
Issue of share capital	10,246,723	6,600,000	-	16,846,723
At 31 December 2000	40,000,000	5,491,498	15,984,648	61,476,146

Note 10

The notes set out on pages 30 to 41 form an integral part of, and should be read in conjunction with, these financial statements.

Group Cash Flow Statement

for the year ended 31 December 2000

	Note	2000 RM	1999 RM
Cash flows from operating activities			
Profit before taxation		12,124,696	9,187,456
Adjustments for:			
Amortisation of goodwill		264,987	264,986
Depreciation		3,772,472	3,016,098
Gain on disposal of property, plant and equipment		(148,433)	(52,446)
Interest expense			
- term loan		524,268	757,594
- hire purchase and leasing		507,301	404,321
- bankers' acceptance		128,310	111,305
- overdraft		9,392	9,110
Interest income		(151,489)	(135,102)
Property, plant and equipment written off		36,457	-
Operating profit before working capital changes		17,067,961	13,563,322
Changes in working capital:			
Inventories		(2,102,415)	(2,202,378)
Trade and other receivables		(1,046,950)	987,507
Trade and other payables		2,280,019	923,348
Cash generated from operations		16,198,615	13,271,799
Interest income received		151,489	135,102
Interest paid on overdraft		(9,392)	(9,110)
Taxation paid		(1,793,581)	(1,400,690)
Net cash generated from operating activities		14,547,131	11,997,101
Cash flows from investing activities			
Purchase of property, plant and equipment	(i)	(12,242,791)	(1,654,673)
Proceeds from sale of property, plant and equipment		168,122	116,576
Net cash used in investing activities		(12,074,669)	(1,538,097)

Group Cash Flow Statement

for the year ended 31 December 2000

	Note	2000 RM	1999 RM
Cash flows from financing activities			
Dividend paid		(3,000,000)	-
Payment of share issue expenses		(1,108,502)	-
Proceeds from issuance of shares		12,600,000	-
Proceeds from rights issue		4,246,723	-
Proceeds from bankers' acceptance		1,632,000	1,500,000
Drawdown of term loan		2,698,670	-
Repayment of term loan		(6,936,304)	(4,547,669)
Repayment of hire purchase and lease creditors		(2,053,756)	(1,568,578)
Interest paid			
- term loan		(524,268)	(757,594)
- hire purchase and leasing		(507,301)	(404,321)
- bankers' acceptance		(128,310)	(111,305)
Net cash generated from/(used in) financing activities		6,918,952	(5,889,467)
Net increase in cash and cash equivalents		9,391,414	4,569,537
Cash and cash equivalents at beginning of year		10,195,151	5,625,614
Cash and cash equivalents at end of year	(ii)	19,586,565	10,195,151

i) Purchase of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM15,474,661 of which RM3,231,870 was acquired by means of hire purchase and lease creditors.

ii) Cash and cash equivalents comprise:

	2000 RM	1999 RM
Cash and bank balances	9,168,565	7,370,214
Fixed deposits with licensed banks	10,418,000	2,824,937
	<u>19,586,565</u>	<u>10,195,151</u>

The notes set out on pages 30 to 41 form an integral part of, and should be read in conjunction with, these financial statements.

Balance Sheet

at 31 December 2000

	Note	2000 RM	1999 RM
Property, plant and equipment	2	49,099	-
Interests in subsidiaries	3	58,177,550	28,193,603
Current assets			
Other receivables	6	94,295	233,282
Cash and cash equivalents	7	118,812	262
		<u>213,107</u>	<u>233,544</u>
Current liabilities			
Other payables	8	57,118	12,529
Proposed dividend		2,000,000	3,000,000
		<u>2,057,118</u>	<u>3,012,529</u>
Net current liabilities		<u>(1,844,011)</u>	<u>(2,778,985)</u>
		<u>56,382,638</u>	<u>25,414,618</u>
Financed by:-			
Capital and reserves			
Share capital	10	40,000,000	9,716,167
Reserves		16,382,638	15,698,451
		<u>56,382,638</u>	<u>25,414,618</u>

The notes set out on pages 30 to 41 form an integral part of, and should be read in conjunction with, these financial statements.

Company Income Statement

for the year ended 31 December 2000

	Note	2000 RM	1999 RM
Revenue	12	<u>19,736,500</u>	<u>3,020,000</u>
Profit before tax	12	19,573,416	3,002,490
Tax expense	15	(2,343,617)	(470)
Net profit for the year		<u>17,229,799</u>	<u>3,002,020</u>

The notes set out on pages 30 to 41 form an integral part of, and should be read in conjunction with, these financial statements.

Company Statement of Changes In Equity

for the year ended 31 December 2000

	Share capital RM	Non-distributable Merger reserve RM	Share premium RM	Distributable Retained profits RM	Total RM
At 1 January 1999	9,716,167	10,846,150	4,580,635	269,646	25,412,598
Net profit for the year	-	-	-	3,002,020	3,002,020
Dividend	-	-	-	(3,000,000)	(3,000,000)
At 31 December 1999	9,716,167	10,846,150	4,580,635	271,666	25,414,618
Net profit for the year	-	-	-	17,229,799	17,229,799
Dividend	-	-	-	(2,000,000)	(2,000,000)
Share issue expenses	-	-	(1,108,502)	-	(1,108,502)
Bonus issue/(Capitalisation for bonus issue)	20,037,110	-	(4,580,635)	(15,456,475)	-
Issue of share capital	10,246,723	-	6,600,000	-	16,846,723
At 31 December 2000	<u>40,000,000</u>	<u>10,846,150</u>	<u>5,491,498</u>	<u>44,990</u>	<u>56,382,638</u>

Note 10

The notes set out on pages 30 to 41 form an integral part of, and should be read in conjunction with, these financial statements.

Company Cash Flow Statement

for the year ended 31 December 2000

	2000 RM	1999 RM
Cash flows from operating activities		
Profit before taxation	19,573,416	3,002,490
Adjustments for:		
Depreciation	4,345	-
	<hr/>	<hr/>
Operating profit before working capital changes	19,577,761	3,002,490
Changes in working capital:		
Other receivables	138,987	(3,113,400)
Other payables	44,589	2,088
	<hr/>	<hr/>
Cash generated from/(used in) operations	19,761,337	(108,822)
Taxation paid	(2,343,617)	(470)
Net cash generated from/(used in) operating activities	<hr/> <hr/>	<hr/> <hr/>
	17,417,720	(109,292)
Cash flows from investing activities		
Advances to subsidiary companies	(29,983,947)	-
Purchase of property, plant and equipment	(53,444)	-
Net cash used in investing activities	<hr/> <hr/>	<hr/> <hr/>
	(30,037,391)	-
Cash flows from financing activities		
Payment of share issue expenses	(1,108,502)	-
Proceeds from issuance of shares	12,600,000	-
Proceeds from rights issue	4,246,723	-
Dividend paid	(3,000,000)	-
Net cash generated from financing activities	<hr/> <hr/>	<hr/> <hr/>
	12,738,221	-
Net increase/(decrease) in cash and cash equivalents	<hr/> <hr/>	<hr/> <hr/>
	118,550	(109,292)
Cash and cash equivalents at beginning of year	<hr/>	<hr/>
	262	109,554
Cash and cash equivalents at end of year	<hr/> <hr/>	<hr/> <hr/>
	118,812	262
Cash and cash equivalents comprise:		
Cash and bank balances	18,812	262
Fixed deposits with licensed banks	100,000	-
	<hr/> <hr/>	<hr/> <hr/>
	118,812	262

The notes set out on pages 30 to 41 form an integral part of, and should be read in conjunction with, these financial statements.

Notes To The Financial Statements

1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years.

(a) Basis of accounting

The financial statements are prepared under the historical cost convention and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

The Group financial statements incorporate the audited financial statements of the Company and its subsidiaries made up to 31 December 2000. The results of the subsidiaries are included in the consolidated financial statements from the date of acquisition. All material related company transactions and balances have been eliminated on consolidation.

Subsidiary companies which satisfies the merger relief provisions of Section 60(4) of the Companies Act, 1965 have been consolidated using the acquisition method and the new shares issued for the acquisitions have been recorded at their nominal value in the financial statements of the Company. On consolidation, the premiums arising from the new shares issued have been recorded as a merger reserve. The merger reserve has been used to write off the goodwill arising on the acquisition of the said subsidiaries.

(c) Property, plant and equipment and depreciation

Property, plant and equipment except for freehold land are stated at cost less depreciation.

Leasehold land is amortised in equal instalments over the period of the lease of 60 years while buildings are depreciated on a straight line basis over 50 years.

Depreciation of other property, plant and equipment is provided on a straight line basis so as to write off the cost of the property, plant and equipment over their estimated useful lives.

The annual rates of depreciation adopted are as follows :-

Plant and machinery	10% to 20%
Furniture, fittings, office equipment, renovation and signboard	10% to 20%
Motor vehicles	20%

(d) Investment in subsidiary companies

Investment in unquoted subsidiaries, which is eliminated on consolidation, is stated in the Company's financial statements at cost. Provision for diminution in value is made when there is a permanent diminution in value of the investment.

(e) Goodwill arising on consolidation

Goodwill arising on consolidation represents the excess of the purchase price over the fair value of the net assets of the subsidiaries at the date of acquisition. Goodwill on consolidation is amortised on a straight line basis over a period of 25 years.

(f) Cash and cash equivalents

Cash and cash equivalents comprised cash and bank balances and deposits with banks.

Notes To The Financial Statements

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average basis and includes all direct expenditure incurred in bringing the inventories to their present location and condition.

(h) Trade receivables

Trade receivables are carried at anticipated realisable value. Bad debts are written off in the year in which they are identified. Specific provision is made for doubtful debts based on a review of all outstanding amounts at the year end.

(i) Accounting for hire purchases and leasing

Property, plant and equipment held under hire purchase and leasing arrangements are capitalised and depreciated over their estimated useful lives, and the corresponding obligation relating to the remaining capital payments are treated as a liability. Financing charges for hire purchase and leasing are charged to the income statement over the year of the primary hire purchase or leasing using the sum of digits method.

(j) Deferred taxation

Deferred taxation is provided under the liability method for all material timing differences except where no liability is expected to arise in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

(k) Revenue

Revenue of the Company represents dividend received and receivable from subsidiary companies. Revenue for the Group represents the invoiced value of goods sold, less sales tax, trade discounts and allowances. Sales between Group companies are excluded from the revenue of the Group.

i) Goods sold and services rendered

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

ii) Dividend income

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

(l) Expenses

Financing costs

Financing costs comprise interest payable on borrowings.

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of financing costs. The interest component of finance lease payments is recognised in the income statement so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting year.

(m) Foreign currency translation

Assets and liabilities in foreign currencies at balance sheet date are translated into Ringgit Malaysia at rates of exchange approximating those ruling on balance sheet date. Transactions during the year are converted at rates ruling on the transaction dates. Gains or losses in exchange are dealt with through the income statement.

Notes To The Financial Statements

2. Property, plant and equipment

Group	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, office equipment, renovation and signboard RM	Motor vehicles RM	Total RM
At 1 January 2000	2,505,842	935,075	8,429,940	21,467,975	2,841,773	1,482,011	37,662,616
Additions	-	-	-	13,645,733	721,412	1,107,516	15,474,661
Disposals	-	-	-	(546,072)	-	(92,478)	(638,550)
Write off	-	-	-	(422,567)	(74,798)	-	(497,365)
At 31 December 2000	<u>2,505,842</u>	<u>935,075</u>	<u>8,429,940</u>	<u>34,145,069</u>	<u>3,488,387</u>	<u>2,497,049</u>	<u>52,001,362</u>
Depreciation							
At 1 January 2000	-	48,053	326,596	10,859,347	755,182	738,250	12,727,428
Charge for the year	-	15,584	168,599	2,941,145	351,775	295,369	3,772,472
Disposals	-	-	-	(529,397)	-	(89,464)	(618,861)
Write off	-	-	-	(416,032)	(44,876)	-	(460,908)
At 31 December 2000	<u>-</u>	<u>63,637</u>	<u>495,195</u>	<u>12,855,063</u>	<u>1,062,081</u>	<u>944,155</u>	<u>15,420,131</u>
Net book value							
At 31 December 2000	<u>2,505,842</u>	<u>871,438</u>	<u>7,934,745</u>	<u>21,290,006</u>	<u>2,426,306</u>	<u>1,552,894</u>	<u>36,581,231</u>
At 31 December 1999	<u>2,505,842</u>	<u>887,022</u>	<u>8,103,344</u>	<u>10,608,628</u>	<u>2,086,591</u>	<u>743,761</u>	<u>24,935,188</u>
Depreciation charge for the year ended 31 December 1999	<u>-</u>	<u>15,585</u>	<u>168,538</u>	<u>2,376,221</u>	<u>283,781</u>	<u>171,973</u>	<u>3,016,098</u>

The freehold land together with the attached buildings and plant and machinery of subsidiary companies with net book value of RM14,945,228 (1999 - RM12,381,082) are charged to financial institutions to secure credit facilities granted to the subsidiary companies.

The net book value of the Group's property, plant and equipment acquired under hire purchase as at 31 December 2000 amounted to RM7,506,000 (1999 - RM4,634,000).

Notes To The Financial Statements

Company	Furniture, fittings, office equipment renovation and signboard RM
Cost	
At 1 January 2000	-
Addition	53,444
At 31 December 2000	<u>53,444</u>
Depreciation	
At 1 January 2000	-
Charge for the year	4,345
At 31 December 2000	<u>4,345</u>
Net book value	
At 31 December 2000	<u>49,099</u>

3. Interests in subsidiaries

	Company	
	2000 RM	1999 RM
Unquoted shares - at cost	25,335,000	25,335,000
Amount due from/(to) subsidiary companies	30,642,550	(161,397)
Dividends receivable from subsidiary companies	2,200,000	3,020,000
	<u>58,177,550</u>	<u>28,193,603</u>

Subsidiaries

The amount due from/(to) subsidiaries is unsecured, interest free and has no fixed term of repayment.

The details of the subsidiaries are as follows:-

Name	Principal activities	Effective equity interest		Place of incorporation
		2000 %	1999 %	
Jotech Metal Fabrication Industries Sdn. Bhd. (Company No. 187741-P)	Manufacturing and fabrication of tools and dies, stamped metal components for electrical, consumer electronics and automotive industries	100	100	Malaysia

Notes To The Financial Statements

Name	Principal activities	Effective equity interest		Place of incorporation
		2000	1999	
		%	%	
Prodelcon Sdn. Bhd. (Company No. 130535-A)	Manufacturing of high precision tooling, dies sets, semiconductor moulds and parts, high precision jigs and fixtures, the design and manufacturing of turnkey automation systems	100	100	Malaysia
<i>and its subsidiary company</i>				
Multimatic Systems Sdn. Bhd. (Company No. 445921-P)	Design, fabricate and commission automatic handling equipment/ systems for electronic and semiconductor industries	100	99.995	Malaysia

4. Goodwill on consolidation

	Group	
	2000 RM	1999 RM
Cost		
At 1 January / 31 December	6,624,662	6,624,662
Less: Accumulated amortisation		
At 1 January	794,968	529,982
Current amortisation	264,987	264,986
At 31 December	1,059,955	794,968
	<u>5,564,707</u>	<u>5,829,694</u>

5. Inventories

	Group	
	2000 RM	1999 RM
At cost:		
Raw materials	8,798,429	5,938,921
Work in progress	2,136,632	2,869,709
Finished goods	1,641,600	1,710,406
Consumable goods	180,697	135,907
	<u>12,757,358</u>	<u>10,654,943</u>

Notes To The Financial Statements

6. Trade and other receivables

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Trade receivables	16,083,772	15,620,911	-	-
Other receivables, deposits and prepayments	1,979,777	987,725	94,295	233,282
	18,063,549	16,608,636	94,295	233,282

Included in trade receivables of the Group is an amount owing by subsidiary of an affiliated company amounting to RM322,680 (1999 - RM623,296).

7. Cash and cash equivalents

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Cash and bank balances	9,168,565	7,370,214	18,812	262
Fixed deposits with licensed banks	10,418,000	2,824,937	100,000	-
	19,586,565	10,195,151	118,812	262

8. Trade and other payables

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Trade payables	10,179,832	11,264,715	-	-
Other creditors and accruals	4,895,516	1,525,524	57,118	12,529
Amount due to directors	-	5,090	-	-
	15,075,348	12,795,329	57,118	12,529

Included in other payables is an amount due to an affiliated company of RM392,183 (1999 - RM125,000). The amount is unsecured, interest free and has no fixed term of repayment.

Notes To The Financial Statements

9. Borrowings (secured)

	Group	
	2000 RM	1999 RM
Current		
Bankers' acceptances	3,132,000	1,500,000
Hire purchase creditors	2,160,343	1,629,350
Term loans	807,087	1,205,976
	6,099,430	4,335,326
Long term		
Hire purchase creditors	2,754,501	2,107,380
Term loans	3,275,119	7,113,864
	6,029,620	9,221,244

Group	Total RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years RM
Bankers' acceptances	3,132,000	3,132,000	-	-	-
Hire purchase creditors	4,914,844	2,160,343	2,538,909	215,592	-
Secured term loans	4,082,206	807,087	1,200,643	1,006,251	1,068,225
	12,129,050	6,099,430	3,739,552	1,221,843	1,068,225

Hire purchase creditors

Hire purchase creditors are payable as follows:

Group	Payments RM	Interest RM	Principal RM
2000			
Less than one year	2,545,401	385,058	2,160,343
Between one and five years	3,325,835	571,334	2,754,501
	5,871,236	956,392	4,914,844
1999			
Less than one year	2,053,534	424,184	1,629,350
Between one and five years	2,597,189	489,809	2,107,380
	4,650,723	913,993	3,736,730

The borrowings are secured by the followings:

- i) legal charge over the land and buildings of its subsidiary companies;
- ii) negative pledge over the unencumbered assets of a subsidiary company;
- iii) fixed and floating charge over the fixed assets of its subsidiary company;
- iv) corporate guarantees by the Company.

The term loans and bankers' acceptances bear interest at rates of 1.5% (1999 - 1.5%) per annum above the lending bank's base lending rates and 4% to 7% (1999 - 4% to 7.8%) per annum respectively.

Notes To The Financial Statements

10. Share capital

	Company	
	2000 RM	1999 RM
Ordinary shares of RM1.00 each:		
Authorised		
Balance at 1 January	10,000,000	10,000,000
Increased during the year	90,000,000	-
Balance at 31 December	100,000,000	10,000,000
Issued and fully paid		
Balance at 1 January	9,716,167	9,716,167
Issued during the period		
- Bonus issue of 20,037,110 new ordinary shares of RM1.00 each on the basis of approximately 2 ordinary shares of RM1.00 for every 1 ordinary share of RM1.00 each	20,037,110	-
- Rights issue of 4,246,723 new ordinary shares of RM1.00 each on the basis of approximately 3 ordinary shares of RM1.00 for every 7 ordinary shares of RM1.00 each	4,246,723	-
- Public issue of 6,000,000 new ordinary shares of RM1.00 each	6,000,000	-
Balance at 31 December	40,000,000	9,716,167

11. Deferred taxation

	Group	
	2000 RM	1999 RM
At 1 January	526,000	964,000
Transfer from/(to) income statement	1,174,000	(438,000)
At 31 December	1,700,000	526,000

Notes To The Financial Statements

12. Operating profit

	Group		Company	
	2000 RM	1999 RM	2000 RM	1999 RM
Revenue	107,582,053	90,499,135	19,736,500	3,020,000
Cost of sales	(84,871,371)	(73,116,091)	-	-
Gross Profit	22,710,682	17,383,044	19,736,500	3,020,000
Distribution costs	(878,157)	(572,008)	-	-
Administrative expenses	(8,860,795)	(6,735,206)	(178,645)	(17,510)
Other operating expenses	(76,027)	(59,924)	-	-
Other operating income	398,264	453,880	15,561	-
Operating profit	<u>13,293,967</u>	<u>10,469,786</u>	<u>19,573,416</u>	<u>3,002,490</u>
Profit for the year is arrived at:-				
After charging:-				
Auditors' remuneration				
- current	21,500	21,500	3,500	3,500
- overprovision	(8,500)	-	-	-
Amortisation of goodwill	264,987	264,986	-	-
Depreciation	3,772,472	3,016,098	4,345	-
Directors' remuneration	1,317,894	961,388	-	-
Directors' fees	18,000	-	18,000	-
Loss in foreign exchange				
- realised	23,459	-	-	-
- unrealised	-	14,375	-	-
Management fee payable to an affiliated company	230,000	245,000	-	-
Rental of machinery	6,270	5,880	-	-
Rental of premises	157,330	-	10,000	-
Property, plant and equipment written off	36,457	-	-	-
and crediting:-				
Gains on disposal of property, plant and equipment	148,433	52,446	-	-
Gain on foreign exchange				
- realised	48,636	28,630	-	-
- unrealised	22,536	74,537	-	-
Interest income				
- fixed deposits	135,928	135,102	-	-
- others	15,561	-	15,561	-

Notes To The Financial Statements

13. Employees information

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Staff costs	12,244,030	9,626,165	70,219	-

The number of employees of the Group and of the Company at the end of the year was 489 and 2 (1999 - 384 and Nil) respectively.

14. Financing costs

	Group	
	2000	1999
	RM	RM
Interest payables		
Term loans	524,268	757,594
Bank overdrafts	9,392	9,110
Hire purchase and leases	507,301	404,321
Trade financing	128,310	111,305
	1,169,271	1,282,330

15. Tax expense

	Group		Company	
	2000	1999	2000	1999
	RM	RM	RM	RM
Current year income tax	1,455,000	-	2,343,617	-
Transfer to/(from) deferred taxation	1,174,000	(438,000)	-	-
Underprovision in prior year	-	27,126	-	470
	2,629,000	(410,874)	2,343,617	470

The Company's tax expense for the year is in respect of dividend income.

The effective tax rate of the Group is lower than the statutory tax rate of 28% due to utilisation of reinvestment allowance. A subsidiary company has been granted pioneer status for a period of five years commencing 1 January 2000.

Pursuant to the Income Tax (Amendments) Act, 1999 which was gazetted on 8 July 1999, all income (except for dividend income) derived in 1999 would be waived from income tax. Accordingly, no provision for taxation was made in the financial statements for the financial year ended 31 December 1999.

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank in full all of its distributable reserves at 31 December 2000 if paid out as dividends.

Notes To The Financial Statements

16. Earnings per share

The basic earnings per share for the financial year has been calculated on the Group's profit after taxation of RM9,495,696 (1999 - RM9,598,330) over the weighted average number of shares in issue of 34,580,000 (1999 - 29,753,000).

	2000	1999
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of year	9,716,000	9,716,000
Effect of bonus issue	20,037,000	20,037,000
Effect of rights issue	2,444,000	-
Effect of shares issued during the year	2,383,000	-
	34,580,000	29,753,000

17. Significant related party transactions

	Group	
	2000	1999
	RM	RM
Management fee payable to an affiliated company	230,000	245,000
Sales to subsidiary of an affiliated company	1,494,681	1,711,965

The directors of the Company are of the opinion that the transactions have been transacted in the normal course of business and have been established under negotiated terms.

18. Capital commitments

	Group	
	2000	1999
	RM	RM
Approved and contracted for	2,263,140	464,324
Approved but not contracted for	85,000	-

19. Contingent liabilities - unsecured

The Company has executed corporate guarantees in favour of licensed banks for facilities of up to a limit of RM17.89 million granted to its subsidiaries.

20. Significant events during the year

On 17 April 2000, the Company carried out a capital restructuring exercise for the purpose of listing of the Company's shares on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE"), which had been approved by the Securities Commission ("SC") on 8 March 2000. The Company was listed on the KLSE on 9 August 2000.

Notes To The Financial Statements

21. Segmental reporting

2000	Turnover RM	Profit before tax RM	Total assets employed RM
Analysis by activity			
Investment holding	-	(428,070)	5,826,914
Precision stamping	78,819,650	6,270,984	46,200,746
Precision tooling	25,538,684	4,689,741	37,884,550
Automation system	3,223,719	1,592,041	2,641,200
	<u>107,582,053</u>	<u>12,124,696</u>	<u>92,553,410</u>
1999			
Investment holding	-	(282,496)	4,567,908
Precision stamping	72,235,998	4,885,453	39,466,639
Precision tooling	17,802,903	4,595,944	23,509,902
Automation system	460,234	(11,445)	679,163
	<u>90,499,135</u>	<u>9,187,456</u>	<u>68,223,612</u>

The inter-segment pricing is determined based on normal course of business and have been established under negotiated terms.

22. Comparative figures

Following the adoption of Malaysian Accounting Standards Board's Standards in the preparation of this set of financial statements, the presentation and classification of certain items in the financial statements have been amended. Accordingly, comparative amounts for those items have been reclassified to ensure comparability with the current financial year.

Statistics on Shareholdings

Class Of Shares : Ordinary Shares Of RM1.00 Each
Voting Rights : One Vote Per Share

Analysis by Size of Shareholdings as at 31 March 2001

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 1,000	1,084	57.45	1,084,000	2.71
1,001 - 5,000	541	28.67	1,623,000	4.06
5,001 - 10,000	174	9.22	1,409,000	3.52
10,001 and above	88	4.66	35,884,000	89.71
Total	1,887	100.00	40,000,000	100.00

Twenty (20) Largest Shareholders as at 31 March 2001

NAME	NO. OF SHARES OF RM1.00	PERCENTAGE (%)
AIC Corporation Berhad	13,599,993	34.00
Liew Cheng York	6,113,265	15.28
Lim Siok Hui	2,942,742	7.36
Ooi Boon Pin	2,884,001	7.21
Chew Siew Hong	2,020,399	5.05
Permodalan Nasional Berhad	1,120,000	2.80
Ong Nai Pew	1,031,403	2.58
HSBC Nominees (Tempatan) Sdn Bhd	865,000	2.16
HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust		
Hoo Kuong	601,499	1.50
Mayban Securities Nominees (Tempatan) Sdn Bhd	600,000	1.50
Mayban Ventures Sdn Bhd For Liew Cheng York		
Lim Gaik See	351,000	0.88
Chen Shun Ching @ Hoo Chen Shun Ching	350,000	0.88
OSK Nominees (Tempatan) Sdn Berhad	321,000	0.80
Wong Chong Shee		
Chang Chuen Lee	300,000	0.75
Liew Kok Leong	153,000	0.38
Goo Choo Lian	129,000	0.32
Yee Yen Choon	114,000	0.29
Loh Khee Lian	108,000	0.27
Universal Trustee (Malaysia) Berhad	105,000	0.26
BHBL Pacific Emerging Companies Growth Fund		
AMSEC Nominees (Tempatan) Sdn Bhd	105,000	0.26
Pledged Securities Account For Lian Teng Hai		
TOTAL	33,814,302	84.53

Statistics on Shareholdings

Substantial Shareholdings as at 31 March 2001

(as per the Register of Substantial Shareholders)

NAME	DIRECT		INDIRECT	
	NO. OF SHARES	%	NO. OF SHARES	%
AIC Corporation Berhad	13,599,993	34.00	-	-
Asteria Consolidated Sdn. Bhd.	-	-	13,599,993 (a)	34.00
Asteria Sdn. Bhd.	-	-	13,599,993 (b)	34.00
Golden Prism Sdn. Bhd.	-	-	13,599,993 (c)	34.00
Datuk Haji Sarip Bin Hamid	50,000	0.125	13,599,993 (d)	34.00
Nadi Mal Sdn. Bhd.	-	-	13,599,993 (c)	34.00
Hakikat Seri Sdn. Bhd.	-	-	13,599,993 (e)	34.00
Maznah Bte Mohamad	1,000	0.00	13,599,993 (f)	34.00
Permodalan Nasional Berhad	1,120,000	2.80	-	-
Yayasan Pelaburan Bumiputra	-	-	1,120,000 (g)	2.80
Liew Cheng York	6,713,265	16.78	-	-
Lim Siok Hui	2,942,742	7.36	-	-
Ooi Boon Pin	2,884,001	7.21	-	-
Chew Siew Hong	2,020,399	5.05	-	-
Ong Nai Pew	1,031,403	2.58	-	-
<u>Bare Trustee</u>				
HSBC Nominees (Tempatan) Sdn. Bhd.	865,000 (h)	2.16	-	-

Notes:-

- a. Deemed interest by virtue of its substantial shareholdings in AIC Corporation Berhad.
- b. Deemed interest by virtue of its substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd.
- c. Deemed interest by virtue of its substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd. and Asteria Sdn. Bhd.
- d. Deemed interest by virtue of his substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd., Asteria Sdn. Bhd. and Golden Prism Sdn. Bhd.
- e. Deemed interest by virtue of its substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd., Asteria Sdn. Bhd. and Nadi Mal Sdn. Bhd.
- f. Deemed interest by virtue of her substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd., Asteria Sdn. Bhd., Nadi Mal Sdn. Bhd. and Hakikat Seri Sdn. Bhd.
- g. Indirect interest by virtue of its substantial shareholdings of 100% interest less one share of Permodalan Nasional Berhad by virtue of Section 6A of the Companies Act, 1965.
- h. The beneficial owner is HSBC (H) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust [865,000 (2.16%)]

Statistics on Shareholdings

Directors' Shareholdings as at 21 January 2001

(as per the Register of Directors' Shareholdings)

NAME	DIRECT INTEREST		INDIRECT INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Datuk Haji Sarip bin Hamid	50,000	0.125	* 13,599,993	34.00
Tuan Haji Mohd Ali bin Bawal	10,000	0.025	-	-
Tuan Haji Rahim bin Kassim	10,000	0.025	-	-
Ooi Boon Pin	2,884,001	7.21	-	-
Chew Siew Hong	2,020,399	5.05	-	-
Lim Siok Hui	2,942,742	7.36	-	-
Liew Cheng York	6,713,265	16.78	-	-
Ashari bin Ayub	10,000	0.025	-	-
Lasa bin Mat Desa	10,000	0.025	-	-
Total	14,650,407	36.625	*13,599,993	34.00

Note:-

* Deemed interest by virtue of his substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd., Asteria Sdn. Bhd. and Golden Prism Sdn. Bhd.

Properties Of The Group

LOCATION/ ADDRESS	DESCRIPTION AND EXISTING USE	APPROXIMATE AGE OF BUILDING	LAND AREA (SQ.FT)	BUILT UP AREA (SQ.FT)	TENURE OF LAND	NET BOOK VALUES AS AT 31/12/2000 (RM)
Plot 78, Bayan Lepas Industrial Park IV Mukim 12, South West District, Pulau Pinang	Office and factory building: Manufacture of semiconductor tooling products and automation systems for Semiconductor industries	3.5 years	66,000	31,000	60 years leasehold land expiring in year 2057	3,547,740
No, 20 & 22, Jalan Masyhur 1, Taman Perindustrian Cemerlang 81800 Ulu Tiram Johor Darul Takzim	Office and factory building: Manufacture of precision stamping parts for Electronics and Electrical industries.	3.5 years	78,400	63,000	Freehold	7,764,285

Amendments To The Articles Of Association

(Appendix 1)

Article 8(1) Allotment and despatch of notices of allotment for an issue

THAT Article 8(1) is amended by deleting the said article in its entirety and substituting the following new Article 8(1) to read as follows :-

Article 8(1)

- (i) Within 15 market days of the final applications closing date for a rights issue or such other period as may be prescribed by the Exchange, the Company must :-
 - (a) allot and issue securities ;
 - (b) despatch notices of allotment to allottees ; and
 - (c) make an application for the quotation of such securities.

- (ii) Within 10 market days of the books closing date for a bonus issue or such other period as may be prescribed by the Exchange, the Company must :-
 - (a) allot and issue securities ;
 - (b) despatch notices of allotment to allottees ; and
 - (c) make an application for the quotation of such securities.

Article 8(2) Allotment and despatch of notices of allotment for an issue

THAT Article 8(2) of the Articles of Association is amended by replacing the word “shares” with the word “securities” in line four of the said article to read as follows :-

Article 8(2)

Every certificate shall be issued under the Seal and bear the signatures or the autographic signatures of one Director and the Secretary or a second Director or such other person as may be authorised by the Directors, and shall specify the securities to which it relates, and the amount paid up thereon provided that the Directors may by resolution determine that such signature, or either of them, shall be affixed by such other person as may be authorised by the Directors or some method or system of mechanical signature.

Article 10 Rights of Preference Shareholders

THAT Article 10 of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 10(1) and Article 10(2) as follows :-

Article 10(1)

Without prejudice to any special rights previously conferred on the Holders of any shares or class of shares already issued, but subject to the Act and these Articles, any preference shares may with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed but the total nominal value of the issued preference shares shall not exceed the total nominal value of the issued ordinary shares at any time and the Company may issue preference shares ranking equally with or in priority above preference shares already issued. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting on any resolution involving :-

- (a) when the dividend or part of the dividend on the share is in arrears for more than 6 months;
- (b) on a proposal to reduce the Company’s share capital;
- (c) on a proposal for the disposal of the whole of the Company’s property, business and undertaking;
- (d) on a proposal that affects rights attached to the share;
- (e) on a proposal to wind up the Company; and
- (f) during the winding up of the Company.

Article 10(2)

The holder of a preference share must be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.

Amendments To The Articles Of Association

(Appendix 1)

Article 14 Commission on issue of securities

THAT Article 14 of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 14 to read as follows :-

Article 14

The Company may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manners required by the Act and the commission shall not exceed the rate of ten percent (10%) of the price at which the securities in respect whereof the same is paid are issued or an amount equal to ten per cent of that price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid securities or partly in one way and partly in the other. The Company may also on any issue of securities pay such brokerage as may be lawful.

Article 17 Company's lien on shares

THAT Article 17 of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 17 to read as follows :-

Article 17

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether immediately payable or not, called or payable at a fixed time in respect of such share and/or such amounts as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Company's lien (if any) on shares and dividends from time to time declared in respect of such shares, shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid. The Board of Directors may resolve that any share shall for some specified period be exempt from the provisions of this Article. Unless otherwise agreed, the registration of a transfer of any share shall operate as a waiver of the Company's lien (if any) on such share.

Article 27 Transfer

THAT Article 27 of the Articles of Association is amended by replacing the word "share" with the word "security" immediately after the words "of a " and "of the" in line one and line eight of the said article respectively to read as follows :-

Article 27

The instrument of transfer of a security shall be signed by or on behalf of the transferor and transferee. Such persons may be required by the Exchange (subject to the Central Depositories Act and the Rules), to sign an instrument of transfer in respect of which the transferee is the Central Depository, to which the transfer shall be effective although not signed by or on behalf of the Central Depository so long as it has been certified by an authorised depository agent pursuant to Section 18 of the Central Depositories Act. Subject to the Act, the Central Depositories Act and the Rules the transferor shall be deemed to remain the Holder of the security until the name of the transferee is entered in the Register of Members and/or the Record of Depositors as the case may be in respect thereof.

Article 28 Transfer by book entry

THAT Article 28 of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 28 to read as follows :-

Article 28

The transfer of any listed securities or class of listed securities of the Company which have been deposited with the Central Depository, shall be by way of book entry by the Central Depository in accordance with the Rules of the Central Depository and, notwithstanding Sections 103 and 104 of the Act, but subject to Section 107C(2) of the Act and any exemption that may be made from compliance with Section 107C(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities.

Amendments To The Articles Of Association

(Appendix 1)

Article 31 Closing of Register

THAT Article 31 of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 31 to read as follows :-

Article 31

The registration of transfer may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year. The Company shall give the Exchange prior written notice and publication in a daily newspaper circulating in Malaysia of the period of the intended suspension or closure and the purposes thereof, which notice shall be at least twelve (12) clear market days after the date of announcement or such other period as may from time to time be specified by the Exchange governing the Register concerned. In relation to the closure, the Company shall give written notice in accordance with the Rules to the Central Depository to prepare the appropriate Record of Depositors.

Article 34 Transmission of securities resulting from death or bankruptcy of a Member

THAT Article 34 of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 34 to read as follows :-

Article 34

In case of the death of a Member, the executors or administrators of the deceased shall be the only person recognised by the Company as having any title to his securities. Any person becoming entitled to a security in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time properly be required by the Central Depository and subject to the Rules and as hereinafter provided, elect either to transfer the securities to himself or to some other person nominated by him as the transferee. The Central Depository shall, however, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the security by that Member before his death or bankruptcy.

Article 35 Election of persons entitled to be registered

THAT Article 35 of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 35 to read as follows :-

Article 35

Subject to any other provisions of these Articles, if the person becoming entitled pursuant to Article 34 or 36 shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects provided that where the securities is a deposited security and the person becoming entitled elects to have the security transferred to him, the aforesaid notice must be served by him on the Central Depository. If he shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such security. All the limitations, restrictions and provisions of these Articles and the Central Depository relating to the right to transfer and the registration of transfers of securities shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member has not occurred and the notice of transfer was a transfer executed by such Member.

Article 36 Person entitled to receive and give discharge for dividends

THAT Article 36 of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 36 to read as follows :-

Article 36

A person entitled to a security by transmission shall be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the security, but he shall not be entitled in respect of it to receive notice of or to attend or vote at meetings of the Company or, save as aforesaid, to exercise any of the rights or, privileges as a member unless and until he shall become a member in respect of the security.

Amendments To The Articles Of Association

(Appendix 1)

Article 37 Transmission of Securities from Foreign Register

THAT Article 37 of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 37 to read as follows :-

Article 37

Where -

- (a) the securities of the Company are listed on an Approved Market Place; and
- (b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act, 1998, as the case may be, under the Rules in respect of such securities;

the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of Holders maintained by the registrar of the Company in jurisdiction of the Approved Market Place (hereinafter referred to as "the Foreign Register"), to the register of Holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as "the Malaysian Register") provided that there shall be no change in the ownership of such securities.

Where (a) and (b) are fulfilled, the Company shall not allow any transmission of securities from the Malaysian Register into the Foreign Register.

Article 52 Offer of unissued original shares and new securities

THAT Article 52 of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 52 to read as follows :-

Article 52

Subject to any direction to the contrary that may be given by the Company in General Meeting, any shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstance admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, shall be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or securities which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

Article 58(1) Notice of meeting

THAT Article 58(1) of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 58(1) to read as follows :-

Article 58(1)

Subject to the provisions of the Act relating to convening meeting to pass special resolutions, every notice convening meetings shall specify the place, the day and the hour of the meeting, and shall be given to all members at least 14 days before the meeting. Any General Meeting at which it is proposed to pass a special resolution or where it is an annual general meeting shall be called by at least 21 days notice in writing. Any notice of a meeting called to consider special business shall specify the general nature of such business and shall also be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business and shall be given in the manner hereinafter mentioned to such persons as are under the provisions of these Articles entitled to receive notice of General Meetings from the Company. At least 14 days' notice or 21 days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in the daily press and in writing to each stock exchange upon which the Company is listed.

Amendments To The Articles Of Association

(Appendix 1)

Notes :

Where a member appoints two (2) or more proxies to attend at the same meeting the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Article 82(1) Retirement of Directors

THAT Article 82(1) of the Articles of Association is amended by replacing the word "except" with the word "including" immediately after the words "of the Company" in line eight of the said article to read as follows :-

Article 82(1)

At the First Annual General Meeting of the Company all the Directors shall retire from office, and at the Annual General Meeting in every subsequent year one-third (1/3rd) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3rd) shall retire from office. A retiring Directors shall retain office until the close of the meeting at which he retires. Notwithstanding any provisions to the contrary contained in these Articles of Association, an election of the Directors of the Company shall take place every year and all the Directors of the Company (including the Managing Director) shall retire from office once at least in each three (3) years.

Article 85 Directors' power to fill casual vacancies or appoint additional Directors

THAT Article 85 of the Articles of Association is amended by deleting the words "except for Managing Director" immediately after the words "Any Director" in line four of the said article to read as follows :-

Article 85

The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting of the Company, and shall then be eligible for re-election.

Article 89(d) When office of Director is vacated

THAT Article 89(d) of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 89(d) to read as follows :-

Article 89(d)

If he is absent from more than 50% of the total board of directors' meetings held during a financial year.

Article 103 Managing Director

THAT Article 103 of the Articles of Association is amended by replacing the words "five (5) years" with the words "three (3) years" immediately after the words "not exceed" in line three of the said article to read as follows :-

Article 103

The Directors may from time to time appoint any one or more of their body to be Managing Director or Managing Directors and if the appointment is for a fixed term, that term shall not exceed three (3) years, and upon such conditions as they think fit, and may vest in such Managing Director or Managing Directors the powers hereby vested in the Directors generally as they may think fit, but subject thereto such Managing Director or Managing Directors shall be subject to the control of the Board.

Amendments To The Articles Of Association

(Appendix 1)

Article 105 Special position of Managing Director

THAT Article 105 of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 105 to read as follows :-

Article 105

A Managing Director shall, while he continues to hold that office, be subject to retirement by rotation, and he shall be reckoned as a Director for the purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, but he shall, subject to provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director for any cause shall ipso facto and immediately cease to be a Managing Director.

Article 107 Meetings, determination of questions arising at meetings

THAT Article 107 of the Articles of Association is amended by deleting the said article in its entirety and substituting the following new Article 107 to read as follows :-

Article 107

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. A meeting of the Directors may be held anywhere in the world. Questions arising at any meeting shall be determined by a simple majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote except where at the meeting only two (2) Directors (including the Chairman) form the quorum, or where only two (2) Directors (including the Chairman) are competent to vote on the question at issue. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. A notice for a Directors' meeting shall be by post (by airmail if the recipient is a Director who is resident outside Malaysia) or by facsimile transmission from the Director or Secretary as the case may be calling the meeting. The provision of Article 155 pertaining to the proof of service of notices to Members shall apply mutatis mutandis to the service of notices to Directors under this Article.

Article 121(a) Alternate Director

THAT Article 121(a) of the Articles of Association is amended by deleting the said article in its entirety and substituting with the following new Article 121(a) to read as follows :-

Article 121(a)

Each Director may with the approval of a majority of his co-directors, appoint any person (other than a Director) to act as his alternate Director provided that any fee paid by the Company to the alternate shall be deducted from that director's remuneration and at his discretion by way of a notice to the Company, remove such alternate Director from office.

Article 147 To whom copies of profit and loss accounts etc. may be sent

THAT Article 147 of the Articles of the Association is amended by deleting the said article in its entirety and substituting with the following new Article 147 to read as follows :-

Article 147

The interval between the close of a financial year of the Company and the issue of the annual audited accounts, the directors' and auditors' reports shall not exceed 4 months provided that the Directors shall from time to time in accordance with Section 169 of the Act cause to be prepared and laid before the Company in General Meeting such profit and loss accounts, balance sheets and report as are referred to in the said section. The interval between the close of a financial year of the Company and the issue of accounts relating to it shall not exceed six (6) months. A copy of each such documents shall not less than twenty one (21) days before the date of the meeting be sent to every member of, and to every Holder of debentures of the Company under the provisions of the Act or of those present. The requisite number of copies of each such documents as may be required by the Exchange and/or other stock exchange(s), if any, upon which the Company's shares may be listed shall at the same time be likewise sent to the Exchange and/or such other stock exchange(s); any member to whom a copy of these documents has been sent shall be entitled to receive a copy free of charge on application at the Company's registered office.

Amendments To The Articles Of Association

(Appendix 1)

Article 166 Compliance with Statutes, Regulations and Rules

A new Article 166 of the Articles of Association be inserted immediately after the existing Article 165 to read as follows :-

Article 166

The Company shall comply with the provisions of the relevant governing statutes, regulations and rules as may be amended, modified or varied from time to time, or any other directive or requirement imposed by the Exchange, the Central Depository and other appropriate authorities to the extent required by the law, notwithstanding any provisions in these Articles to the contrary.

Article 167 Effect of the Listing Requirements of the Kuala Lumpur Stock Exchange

THAT a new Article 167 (1) to (7) be inserted immediately after the Article 166 to read as follows :-

Article 167

- (1) Notwithstanding anything contained in these Articles, if the Listing Requirements prohibit an act being done, the act shall not be done.
- (2) Nothing contained in these Articles prevents an act being done that the Listing Requirements require to be done.
- (3) If the Listing Requirements require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (4) If the Listing Requirements require these Articles to contain a provision and they do not contain such a provision, these Articles are deemed to contain that provision.
- (5) If the Listing Requirements require these Articles not to contain a provision and they contain such a provision, these Articles are deemed not to contain that provision.
- (6) If any provision of these Articles is or becomes inconsistent with the Listing Requirements, these Articles are deemed not to contain that provision to the extent of the inconsistency.
- (7) For the purpose of this Article, unless the context otherwise requires, "Listing Requirements" means the Listing Requirements of Kuala Lumpur Stock Exchange including any amendment to the Listing Requirements that may be made from time to time.

JOTECH HOLDINGS BERHAD (334818-P)

SIXTH ANNUAL GENERAL MEETING

I/We, _____
of _____
being a member/members of JOTECH HOLDINGS BERHAD hereby appoint* the Chairman of the meeting or _____
of _____
or failing whom _____
of _____

as my/our proxy to vote for me/us and on my/our behalf at the Sixth Annual General Meeting of the Company to be held at Caymans 3 & 4, Level 10, Sunway Lagoon Resort Hotel, Persiaran Lagoon, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 22 May 2001 at 11.30 a.m. and at any adjournment thereof.

*My/*Our proxy (ies) is / are to vote as indicated below:-

RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS		
1. To receive and adopt the Audited Accounts for the year ended 31 December 2000 together with the Directors' and Auditors' Reports thereon. <i>-Ordinary Resolution 1</i>		
2. To declare a First and Final Tax-Exempt Dividend of 5% for the year ended 31 December 2000. <i>-Ordinary Resolution 2</i>		
3. To approve the payment of Directors' fees of RM18,000.00 for the year ended 31 December 2000. <i>-Ordinary Resolution 3</i>		
4. To re-elect the following Directors who are retiring in accordance with Article 82(1) of the Company's Articles of Association :- 4.1 Liew Cheng York <i>-Ordinary Resolution 4</i> 4.2 Ooi Boon Pin <i>-Ordinary Resolution 5</i>		
5. To re-elect the following Directors who are retiring in accordance with Article 85 of the Company's Articles of Association:- 5.1 Lasa Bin Mat Desa <i>-Ordinary Resolution 6</i> 5.2 Ashari Bin Ayub <i>-Ordinary Resolution 7</i>		
6. To re-appoint Messrs KPMG as the Company's Auditors and to authorise the Board of Directors to fix their remuneration. <i>-Ordinary Resolution 8</i>		
SPECIAL BUSINESS		
7. (i) Authority to allot and issue shares in general pursuant to Section 132D of the Companies Act, 1965. <i>-Ordinary Resolution 9</i> (ii) Proposed Amendments to the Articles of Association <i>-Special Resolution 1</i>		

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

No. of Ordinary Shares Held:

Dated this _____ day of _____ 2001

Signature/Common Seal of Shareholder (s)

[*Delete if not applicable]

NOTES:

1. A member entitled to attend and vote at the Sixth 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 the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
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 10th Floor-Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 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(i)

The Ordinary Resolution proposed under item 7(i) is in line with 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 Kuala Lumpur Stock Exchange 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.

Item 7(ii)

The Special Resolution proposed under item 7(ii) above is to bring the Company's Articles of Association in line with the Kuala Lumpur Stock Exchange Revamped Listing Requirements and other relevant statutory requirements.

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STAMP

The Company Secretary

JOTECH HOLDINGS BERHAD (334818-P)

10th Floor-Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

P.O.Box 12547
50782 Kuala Lumpur

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