

# Financial Statements

<u>Directors' Report</u>	<u>32</u>	
	<u>35</u>	<u>Statement by Directors</u>
<u>Declaration</u>	<u>35</u>	
	<u>36</u>	<u>Report of the Auditors</u>
<u>Balance Sheet</u>	<u>37</u>	
	<u>38</u>	<u>Group Income Statement</u>
<u>Group Statement of Changes In Equity</u>	<u>39</u>	
	<u>40</u>	<u>Group Cash Flow Statement</u>
<u>Company Balance Sheet</u>	<u>42</u>	
	<u>43</u>	<u>Company Income Statement</u>
<u>Company Statement of Changes in Equity</u>	<u>44</u>	
	<u>45</u>	<u>Company Cash Flow Statement</u>
<u>Notes to the Financial Statement</u>	<u>46</u>	



# Directors' Report

for the year ended 31 December 2001

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 2001.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services whilst 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	3,033,240	1,228,006

## RESERVES AND PROVISIONS

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

## DIVIDEND

During the year, the Company paid a first and final tax exempt dividend of 5% per ordinary share amounted to RM2,000,000 in respect of the financial year ended 31 December 2000, as proposed in the Directors' report for that financial year.

A first and final tax exempt dividend of 3% per ordinary share amounting to RM1,200,000 in respect of the financial year ended 31 December 2001 will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

## 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  
Ashari Bin Ayub  
Lasa Bin Mat Desa  
Lt Jen (B) Datuk Haji Abdul Aziz Bin Hassan (appointed on 1.8.2001)  
Tuan Haji Rahim Bin Kassim (resigned on 1.8.2001)

## 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			
	At 1.1.2001	Bought	Sold	At 31.12.2001
Shares in the Company				
Datuk Haji Sarip Bin Hamid				
- direct interest	10,000	40,000	-	50,000
- indirect interest	13,599,994	-	-	13,599,994
Tuan Haji Mohd Ali Bin Bawal				
- direct interest	10,000	-	-	10,000

# Directors' Report

for the year ended 31 December 2001 (cont'd)

	Number of Ordinary Shares of RM1 each			
	At 1.1.2001	Bought	Sold	At 31.12.2001
Liew Cheng York - direct interest	6,713,265	-	-	6,713,265
Ooi Boon Pin - direct interest	2,884,001	-	-	2,884,001
Lim Siok Hui - direct interest	2,942,742	-	-	2,942,742
Chew Siew Hong - direct interest	2,020,399	-	-	2,020,399
Ashari Bin Ayub - direct interest	10,000	-	-	10,000
Lasa Bin Mat Desa - direct interest	10,000	-	-	10,000

None of the other Directors holding office at 31 December 2001 had any interest in the ordinary shares of the Company and of its related corporations during the year.

By virtue of Liew Cheng York and Datuk Haji Sarip bin Hamid having interest of more than 15% in the shares of the Company, they are deemed to have an interest in the issued share capital of all the subsidiaries held by the Company during the financial year. Details of their deemed shareholdings in a non-wholly owned subsidiary is as follows:

	Number of Ordinary Shares of USD1 each			
	At 1.1.2001	Bought	Sold	At 31.12.2001
Shares in PT Indotech Metal Nusantara	-	600,000	-	600,000

## DIRECTORS' BENEFITS

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

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

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

## SIGNIFICANT EVENT

On 31 December 2001, the Group acquired 100% equity interest in JP Metal Sdn Bhd and 60% equity interest in PT Indotech Nusantara Metal for a consideration of RM3,664,000 and RM4,306,000 respectively.

## 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.

On 14 December 2001, the Company announced that approval of the Securities Commission ("SC") have been obtained for the Executive Share Option Scheme ("ESOS") for eligible executives and Directors of the Group. The ESOS will be proposed for the Kuala Lumpur Stock Exchange ("KLSE") and Company's shareholders' approval at the forthcoming Extraordinary General Meeting.

# Directors' Report

for the year ended 31 December 2001 (cont'd)

## 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 allowance 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 are not aware of any circumstances:

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

At the date of this report there does not exist:

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

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and 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 2001 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:

.....  
**Datuk Haji Sarip Bin Hamid**

.....  
**Ooi Boon Pin**

Shah Alam,

Date:

# Statement by Directors

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

In the opinion of the Directors, the financial statements set out on pages 39 to 61, 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 2001 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:

.....  
**Datuk Haji Sarip Bin Hamid**

.....  
**Ooi Boon Pin**

Shah Alam,

Date:

## 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 39 to 61 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 at Shah Alam on .....

.....  
**Leong Lup Yan**

Before me:

# Report of the Auditors

for the year ended 31 December 2001 (cont'd)

We have audited the financial statements set out on pages 39 to 61. 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 2001 and the results of their operations and cash flows for the year ended on that date; and
  - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiary in respect of which we have not acted as auditors is identified in Note 3 to the financial statements and we have considered its financial statements and the auditors' report thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment under subsection (3) of Section 174 of the Act.

**KPMG**

Firm Number: AF 0758

Chartered Accountants

**Hew Lee Lam Sang**

Partner

Approval Number: 1862/10/03(J)

Kuala Lumpur,

Date:

# Balance Sheet

at 31 December 2001

	Note	2001 RM	2000 RM
Property, plant and equipment	2	44,875,631	36,581,231
Goodwill on consolidation	4	7,029,782	5,564,707
<b>Current assets</b>			
Inventories	6	12,696,310	12,757,358
Trade and other receivables	7	12,210,423	17,365,732
Tax recoverable		1,121,518	697,817
Cash and cash equivalents	8	16,979,737	19,586,565
		<b>43,007,988</b>	<b>50,407,472</b>
<b>Current liabilities</b>			
Trade and other payables	9	13,775,690	15,075,348
Borrowings (secured)	10	3,675,690	6,099,430
Taxation		705,118	172,866
		<b>18,156,498</b>	<b>21,347,644</b>
<b>Net current assets</b>		<b>24,851,490</b>	<b>29,059,828</b>
		<b>76,756,903</b>	<b>71,205,766</b>
<b>Financed by:-</b>			
<b>Capital and reserves</b>			
Share capital	11	40,000,000	40,000,000
Reserves		24,504,435	23,476,146
		<b>64,504,435</b>	<b>63,476,146</b>
<b>Minority interest</b>	12	1,945,136	-
<b>Long term and deferred liabilities</b>			
Deferred taxation	13	2,241,000	1,700,000
Borrowings (secured)	10	8,066,332	6,029,620
		<b>76,756,903</b>	<b>71,205,766</b>

The notes set out on pages 46 to 59 form an integral part of, and should be read in conjunction with, these financial statements.

# Group Income Statement

for the year ended 31 December 2001

	Note	2001 RM	2000 RM
Revenue		87,898,044	107,582,053
Cost of sales		(72,379,717)	(84,871,371)
<b>Gross profit</b>		<b>15,518,327</b>	<b>22,710,682</b>
Distribution costs		(612,957)	(878,157)
Administrative expenses		(9,416,613)	(8,860,795)
Other operating expenses		(661,719)	(76,027)
Other operating income		337,808	398,264
<b>Operating profit</b>	14	<b>5,164,846</b>	<b>13,293,967</b>
Financing costs	16	(1,174,185)	(1,169,271)
<b>Profit before tax</b>		<b>3,990,661</b>	<b>12,124,696</b>
Tax expense	17	(957,421)	(2,629,000)
<b>Net profit for the year</b>		<b>3,033,240</b>	<b>9,495,696</b>
Basic earnings per ordinary share (sen)	18	7.58	27.46
Dividend per ordinary share - gross (sen)	19	3.00	5.00

The notes set out on pages 46 to 59 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 2001

	Share capital RM	Non- Distributable Share premium RM	Distributable Retained profits RM	Total RM
At 1 January 2000	9,716,167	4,580,635	26,945,427	41,242,229
Net gains and losses not recognised in the income statements	)	)	)	)
Share issue expenses	)	)	)	)
	-	(1,108,502)	-	(1,108,502)
Net profit for the year	-	-	9,495,696	9,495,696
Issue of shares	10,246,723	6,600,000	-	16,846,723
Bonus issue/(Capitalisation for bonus issue)	20,037,110	(4,580,635)	(15,456,475)	-
Dividend	-	-	(3,000,000)	(3,000,000)
<b>At 31 December 2000</b>	<b>40,000,000</b>	<b>5,491,498</b>	<b>17,984,648</b>	<b>63,476,146</b>
Net gains and losses not recognised in the income statements:	)	)	)	)
Share issue expenses	)	)	)	)
	-	(4,951)	-	(4,951)
Net profit for the year	-	-	3,033,240	3,033,240
Dividend (Note 19)	-	-	(2,000,000)	(2,000,000)
<b>At 31 December 2001</b>	<b>40,000,000</b>	<b>5,486,547</b>	<b>19,017,888</b>	<b>64,504,435</b>
	Note 11			

The notes set out on pages 46 to 59 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 2001 (cont'd)

	Note	2001 RM	2000 RM
<b>Cash flows from operating activities</b>			
Profit before taxation		3,990,661	12,124,696
Adjustments for:			
Amortisation of goodwill		264,987	264,987
Depreciation		5,049,192	3,772,472
Property, plant and equipment written off		8,877	36,457
Gain on disposal of property, plant and equipment		-	(148,433)
Interest expense			
- term loans		380,444	524,268
- hire purchase		686,419	507,301
- bankers acceptances		107,322	128,310
- overdraft		-	9,392
Interest income		(286,164)	(151,489)
Operating profit before working capital changes		10,201,738	17,067,961
(Increase)/Decrease in working capital:			
Inventories		1,514,769	(2,102,415)
Trade and other receivables		9,665,134	(1,046,950)
Trade and other payables		(3,278,569)	2,280,019
Cash generated from operations		18,103,072	16,198,615
Interest income received		286,164	151,489
Taxation paid		(1,093,130)	(1,793,581)
<b>Net cash generated from operating activities</b>		<b>17,296,106</b>	<b>14,556,523</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries, net of cash acquired	i)	(7,612,058)	-
Purchase of property, plant and equipment	ii)	(5,213,453)	(12,242,791)
Proceeds from disposal of property, plant and equipment		364,765	168,122
<b>Net cash used in investing activities</b>		<b>(12,460,746)</b>	<b>(12,074,669)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(2,000,000)	(3,000,000)
Payment of listing expenses		(4,951)	(1,108,502)
Proceeds from issuance of shares		-	12,600,000
Proceeds from rights issue		-	4,246,723
Proceeds from bankers acceptances		-	1,632,000
Proceeds from term loan		3,157,462	2,698,670
Repayment of bankers acceptances		(3,132,000)	-
Repayment of term loans		-	(6,936,304)
Repayment of hire purchase and lease creditors		(4,288,514)	(2,053,756)
Interest paid			
- term loans		(380,444)	(524,268)
- hire purchase		(686,419)	(507,301)
- bankers' acceptances		(107,322)	(128,310)
- overdraft		-	(9,392)
<b>Net cash (used in)/generated from financing activities</b>		<b>(7,442,188)</b>	<b>6,909,560</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,606,828)</b>	<b>9,391,414</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>19,586,565</b>	<b>10,195,151</b>
<b>Cash and cash equivalents at end of year</b>	iii)	<b>16,979,737</b>	<b>19,586,565</b>

# Group Cash Flow Statement

for the year ended 31 December 2001 (cont'd)

## *i) Acquisition of shares in subsidiary companies*

On 31 December 2001, the Group acquired JP Metal Sdn Bhd and PT Indotech Metal Nusantara. The fair values of assets and liabilities assumed were as follows:

	Group 2001 RM
Property, plant and equipment	8,503,782
Current assets	6,215,538
Current liabilities	(3,961,847)
Long term liabilities	(2,572,399)
Minority interest	(1,945,136)
Net assets acquired	<u>6,239,938</u>
Goodwill on acquisition	<u>1,730,062</u>
Purchase price	<u>7,970,000</u>
Less: Cash and cash equivalents of JP Metal Sdn Bhd and PT Indotech Metal Nusantara	<u>(357,942)</u>
Cash flow on acquisition, net of cash acquired	<u><u>7,612,058</u></u>

## *ii) Purchase of property, plant and equipment*

In 2000, 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.

## *iii) Cash and cash equivalents comprise:*

	2001 RM	2000 RM
Cash and bank balances	8,751,737	9,168,565
Fixed deposits with licensed banks	8,228,000	10,418,000
	<u>16,979,737</u>	<u>19,586,565</u>

The notes set out on pages 46 to 59 form an integral part of, and should be read in conjunction with, these financial statements.

# Company Balance Sheet

at 31 December 2001 (cont'd)

	Note	2001 RM	2000 RM
Property, plant and equipment	2	107,966	49,099
Investment in subsidiaries	3	30,935,000	25,335,000
Loan to subsidiaries	5	26,688,613	32,842,550
<b>Current assets</b>			
Other receivables	7	2,307	2,307
Tax recoverable		91,988	91,988
Cash and cash equivalents	8	116,358	118,812
		<b>210,653</b>	<b>213,107</b>
<b>Current liability</b>			
Other payables	9	336,539	57,118
<b>Net current (liability)/assets</b>		<b>(125,886)</b>	<b>155,989</b>
		<b>57,605,693</b>	<b>58,382,638</b>
<b>Financed by:-</b>			
<b>Capital and reserves</b>			
Share capital	11	40,000,000	40,000,000
Reserves		17,605,693	18,382,638
		<b>57,605,693</b>	<b>58,382,638</b>

The notes set out on pages 46 to 59 form an integral part of, and should be read in conjunction with, these financial statements.

# Company Income Statement

for the year ended 31 December 2001

	Note	2001 RM	2000 RM
Revenue		1,990,000	19,736,500
Cost of sales		-	-
<b>Gross profit</b>		<b>1,990,000</b>	<b>19,736,500</b>
Administrative expenses		(765,814)	(178,645)
Other operating income		3,820	15,561
<b>Operating profit</b>	14	<b>1,228,006</b>	<b>19,573,416</b>
Taxation		-	(2,343,617)
<b>Net profit after tax for the year</b>		<b>1,228,006</b>	<b>17,229,799</b>
Dividend per ordinary share - gross (sen)	19	3.00	5.00

The notes set out on pages 46 to 59 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 2001

RM	Share capital RM	Non-distributable Share premium RM	Merger reserve RM	Distributable Retained profits RM	Total
At 1 January 2000	9,716,167	4,580,635	10,846,150	3,271,666	28,414,618
Net gains and losses not recognised in the income statements:					
Share issue expenses	-	(1,108,502)	-	-	(1,108,502)
Issue of share capital	10,246,723	6,600,000	-	-	16,846,723
Bonus issue/(Capitalisation for bonus issue)	20,037,110	(4,580,635)	-	(15,456,475)	-
Net profit for the year	-	-	-	17,229,799	17,229,799
Dividend	-	-	-	(3,000,000)	(3,000,000)
<b>At 31 December 2000</b>	<b>40,000,000</b>	<b>5,491,498</b>	<b>10,846,150</b>	<b>2,044,990</b>	<b>58,382,638</b>
Net gains and losses not recognised in the income statements:					
Share issue expense	-	(4,951)	-	-	(4,951)
Net profit for the year	-	-	-	1,228,006	1,228,006
Dividend (Note 19)	-	-	-	(2,000,000)	(2,000,000)
<b>At 31 December 2001</b>	<b>40,000,000</b>	<b>5,486,547</b>	<b>10,846,150</b>	<b>1,272,996</b>	<b>57,605,693</b>
	Note 11			Note 17	

The notes set out on pages 46 to 59 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 2001

	2001 RM	2000 RM
<b>Cash flows from operating activities</b>		
Profit before taxation	1,228,006	19,573,416
Adjustments for:		
Depreciation	29,131	4,345
Interest income	(3,820)	(15,561)
	<hr/>	<hr/>
Operating profit before working capital changes	1,253,317	19,562,200
Decrease in working capital:		
Other receivables	-	138,987
Other payables	279,421	44,589
	<hr/>	<hr/>
Cash generated from operations	1,532,738	19,745,776
Taxation paid	-	(2,343,617)
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	<b>1,532,738</b>	<b>17,402,159</b>
<b>Cash flows from investing activities</b>		
Advances to subsidiaries	-	(49,720,447)
Loan repayment by subsidiaries	6,153,937	-
Purchase of property, plant and equipment	(87,998)	(53,444)
Dividends receivable	-	19,736,500
Subscription of shares in a subsidiary	(5,600,000)	-
	<hr/>	<hr/>
<b>Net cash generated from/(used in) investing activities</b>	<b>465,939</b>	<b>(30,037,391)</b>
<b>Cash flows from financing activities</b>		
Payment of listing expenses	(4,951)	(1,108,502)
Proceeds from issuance of shares	-	12,600,000
Proceeds from rights issue	-	4,246,723
Dividend paid	(2,000,000)	(3,000,000)
Interest income	3,820	15,561
	<hr/>	<hr/>
<b>Net cash (used in)/generated from financing activities</b>	<b>(2,001,131)</b>	<b>12,753,782</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,454)</b>	<b>118,550</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>118,812</b>	<b>262</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>116,358</b>	<b>118,812</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	116,358	18,812
Fixed deposits with licensed bank	-	100,000
	<hr/>	<hr/>
	<b>116,358</b>	<b>118,812</b>

The notes set out on pages 46 to 59 form an integral part of, and should be read in conjunction with, these financial statements.

# Notes to the Financial Statements

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years except for the early adoption of the accounting for proposed final dividend which is now recognised as a liability in the year it is approved by the shareholders at a General Meeting in accordance with MASB 19 on Events After Balance Sheet Date.

### (a) Basis of accounting

The financial statements of the Group and of the Company are prepared in compliance with applicable approved accounting standards in Malaysia.

### (b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

A subsidiary is excluded from consolidation when control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

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

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

### (c) Property, plant and equipment and depreciation

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

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. In determining the recoverable amount of property, plant and equipment, expected future cash flows are not discounted to their present values. The impairment loss is charged to the income statement. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred. Such subsequent increase in recoverable amount is recognised in the income statement.

### (d) Depreciation

Freehold land is not depreciated while leasehold land is amortised over the period of the lease period. Buildings are depreciated on a straight line basis over the shorter of 50 years or the lease period. The straight-line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates.

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

**(e) Investments in subsidiaries**

Investments in unquoted subsidiaries, which is eliminated on consolidation, is stated in the Company's financial statements at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

**(f) Goodwill arising on consolidation**

Goodwill on consolidation is stated at cost less accumulated amortisation and accumulated impairment losses. Goodwill on consolidation is amortised on a straight-line basis over a period of 25 years. An impairment loss is recognized when the Directors are of the view that there is diminution in the value which is other than temporary.

**(g) Inventories**

Raw materials, work-in-progress, finished goods and consumable goods are stated at the lower of cost and net realisable value with weighted average cost being the main basis for cost. For work-in-progress and finished goods, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads.

**(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 allowance is made for doubtful debts based on a review of all outstanding amounts at the year end.

**(i) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and deposits with banks which have an insignificant risk of changes in value.

**(j) Hire purchase liabilities**

Property, plant and equipment acquired by way of hire purchase 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 purchases are charged to the income statement over the year of the hire purchase period using the sum of digits method.

**(k) Taxation**

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

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

**(l) Foreign currency**

**(i) Foreign currency transactions**

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

(l) **Foreign currency (cont'd)**

(ii) *Financial statements of foreign operations*

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

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

1USD	RM3.800	(2000: 1USD	RM3.800)
1SGD	RM2.033	(2000: 1SGD	RM2.189)

(m) **Affiliated company**

An affiliated company is a company which holds between 20% and 50% of the issued equity capital of this company and has the ability to exercise significant influence over the financial and operating policies of this company.

(n) **Revenue**

Revenue of the Company represents dividends and management fees received and receivable from subsidiaries. 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.

(o) **Financing costs**

All interest and other costs incurred in connection with borrowings are expensed as incurred.

## 2. PROPERTY, PLANT AND EQUIPMENT

<i>Group</i>	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings, office equipment, renovation and signboard RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
<i>Cost</i>								
At 1 January 2001	2,505,842	935,075	8,429,940	34,145,069	3,488,387	2,497,049	-	52,001,362
Additions	-	-	2,000	4,264,078	838,815	82,910	25,650	5,213,453
Disposals	-	-	-	(613,190)	(2,455)	(383,667)	-	(999,312)
Write off	-	-	-	(245)	(17,392)	-	-	(17,637)
Acquisition of subsidiaries	-	1,386,187	2,366,245	9,475,592	878,314	564,569	-	14,670,907
<b>At 31 December 2001</b>	<b>2,505,842</b>	<b>2,321,262</b>	<b>10,798,185</b>	<b>47,271,304</b>	<b>5,185,669</b>	<b>2,760,861</b>	<b>25,650</b>	<b>70,868,773</b>
<i>Depreciation</i>								
At 1 January 2001	-	63,637	495,195	12,855,063	1,062,081	944,155	-	15,420,131
Charge for the year	-	15,585	168,626	4,028,240	462,709	374,032	-	5,049,192
Disposals	-	-	-	(373,867)	(1,528)	(259,152)	-	(634,547)
Write off	-	-	-	(96)	(8,662)	-	-	(8,760)
Acquisition of subsidiaries	-	-	439,706	5,124,867	301,157	301,396	-	6,167,126
<b>At 31 December 2001</b>	<b>-</b>	<b>79,222</b>	<b>1,103,527</b>	<b>21,634,205</b>	<b>1,815,757</b>	<b>1,360,431</b>	<b>-</b>	<b>25,993,142</b>
<i>Net book value</i>								
<b>At 31 December 2001</b>	<b>2,505,842</b>	<b>2,242,040</b>	<b>9,694,658</b>	<b>25,637,099</b>	<b>3,369,912</b>	<b>1,400,430</b>	<b>25,650</b>	<b>44,875,631</b>
At 31 December 2000	2,505,842	871,438	7,934,745	21,290,006	2,426,306	1,552,894	-	36,581,231
Depreciation charge for the year ended 31 December 2000	-	15,584	168,599	2,941,145	351,775	295,369	-	3,772,472

The freehold land together with the attached buildings and plant and machinery of subsidiary companies with net book value of RM14,352,596 (2000 - RM14,945,228) are charged to a financial institution 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 2001 amounted to RM1,113,838 (2000 - RM7,506,000).

## Notes to the Financial Statements (cont'd)

<i>Company</i>	Furniture, fittings, office equipment and renovation RM	Motor vehicles RM	Total RM
<i>Cost</i>			
At 1 January 2001	53,444	-	53,444
Addition	5,088	82,910	87,998
<b>At 31 December 2001</b>	<b>58,532</b>	<b>82,910</b>	<b>141,442</b>
<i>Depreciation</i>			
At 1 January 2001	4,345	-	4,345
Charge for the year	12,549	16,582	29,131
<b>At 31 December 2001</b>	<b>16,894</b>	<b>16,582</b>	<b>33,476</b>
<i>Net book value</i>			
<b>At 31 December 2001</b>	<b>41,638</b>	<b>66,328</b>	<b>107,966</b>
At 31 December 2000	49,099	-	49,099
Depreciation charge for the year ended 31 December 2000	4,345	-	4,345

### 3. INVESTMENT IN SUBSIDIARIES

	Company	
	2001 RM	2000 RM
Unquoted shares - at cost	<b>30,935,000</b>	<b>25,335,000</b>

During the financial year, a subsidiary company issued 1,400,000 cumulative redeemable convertible preference shares of RM1.00 each at RM4.00 to the Company.

Details of the subsidiaries are as follows:-

Name	Principal activities	Effective equity interest		Place of incorporation
		2001 %	2000 %	
Prodelcon Sdn. Bhd. (Company No. 130535-A)	Manufacture of high precision tooling, dies sets, semiconductor moulds and parts and high precision jigs and fixtures and the design and manufacture of turnkey automation systems	100	100	Malaysia
Multimatic Systems Sdn. Bhd. (Company No. 445921-P)	Design, fabricate and commission automatic handling equipment/ systems for semiconductor and electronics industries	100	100	Malaysia

## Notes to the Financial Statements (cont'd)

Name	Principal activities	Effective equity interest		Place of incorporation
		2001 %	2000 %	
Jotech Metal Fabrication Industries Sdn. Bhd. (Company No. 187741-P)	Manufacturing and fabrication of tools and dies and stamped metal components for electrical and consumer electronics industries	100	100	Malaysia
<i>and its subsidiaries</i>				
JP Metal Sdn. Bhd (Company No. 281843-D)	Manufacture and fabrication of tools and dies and stamped metal components for electronics and automotive industries	100	-	Malaysia
PT Indotech Metal Nusantara *	Manufacture and fabrication of tools and dies and stamped metal components for electronics and electrical industry	60	-	Indonesia

\* Subsidiary company which have been audited by another firm of auditors.

#### 4. GOODWILL ON CONSOLIDATION

	Group	
	2001 RM	2000 RM
Cost		
At 1 January	6,624,662	6,624,662
Add: Additions	1,730,062	-
At 31 December	8,354,724	6,624,662
Less: Accumulated amortisation		
At 1 January	1,059,955	794,968
Current amortisation	264,987	264,987
At 31 December	1,324,942	1,059,955
At 31 December	7,029,782	5,564,707

#### 5. LOAN TO SUBSIDIARIES

The amount due from subsidiaries is non-trade in nature, unsecured, interest free and has no fixed term of repayment.

## Notes to the Financial Statements (cont'd)

### 6. INVENTORIES

	Group	
	2001 RM	2000 RM
At cost		
Raw materials	9,653,127	8,798,429
Work-in-progress	824,656	2,136,632
Finished goods	2,016,724	1,641,600
Consumable goods	201,803	180,697
	<u>12,696,310</u>	<u>12,757,358</u>

### 7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade receivables	11,409,311	16,083,772	-	-
Other receivables, deposits and prepayment	801,112	1,281,960	2,307	2,307
	<u>12,210,423</u>	<u>17,365,732</u>	<u>2,307</u>	<u>2,307</u>

Included in trade receivables of the Group is an amount owing by a subsidiary of an affiliated company amounting to RM127,875 (2000 - RM322,680).

### 8. CASH AND CASH EQUIVALENTS

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Cash and bank balances	8,751,737	9,168,565	116,358	18,812
Fixed deposits with licensed banks	8,228,000	10,418,000	-	100,000
	<u>16,979,737</u>	<u>19,586,565</u>	<u>116,358</u>	<u>118,812</u>

### 9. TRADE AND OTHER PAYABLES

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Trade payables	8,483,001	10,179,832	-	-
Other payables and accruals	5,292,689	4,895,516	336,539	57,118
	<u>13,775,690</u>	<u>15,075,348</u>	<u>336,539</u>	<u>57,118</u>

Included in other payables of the Group and of the Company is an amount due to an affiliated company of RM239,683 (2000 - RM392,183) and RM212,500 (2000 - RM10,000) respectively. The amount is unsecured, interest free and has no fixed term of repayment.

## Notes to the Financial Statements (cont'd)

### 10. BORROWINGS (SECURED)

	Group	
	2001 RM	2000 RM
Current		
Bankers acceptances	-	3,132,000
Hire purchase creditors	304,143	2,160,343
Term loans		
	<b>3,371,547</b>	807,087
	<b><u>3,675,690</u></b>	<b><u>6,099,430</u></b>
Non-current		
Hire purchase creditors	350,402	2,754,501
Term loans	7,715,930	3,275,119
	<b><u>8,066,332</u></b>	<b><u>6,029,620</u></b>

#### *Terms and debt repayment schedule*

The bankers acceptances and term loans of the Group are subject to interest rates ranging at 4.0% to 4.2% (2000 - 4.0% to 4.2%) per annum and 5.5% to 8.0% (2000 - 8% - 9%) respectively. Hire purchase creditors are subject to a fixed interest rate of 5% (2000 - 5%).

The bankers acceptances and term loans are secured by the following:

- i) legal charge over the freehold land and buildings of its subsidiary company;
- 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.

Group	Total RM	Under 1 yr RM	1 - 2 years RM	2 - 5 years RM	Over 5 years
Secured term loans	11,087,477	3,371,547	3,277,391	4,438,539	-

#### *Hire purchase liabilities*

Hire purchase liabilities are payable as follows:

	Payments 2001 RM	Interest 2001 RM	Principal 2001 RM	Payments 2000 RM	Interest 2000 RM	Principal 2000 RM
Group						
Less than one year	362,751	58,608	304,143	2,545,401	385,058	2,160,343
Between one and five years	415,307	64,905	350,402	3,325,835	571,334	2,754,501
	<b><u>778,058</u></b>	<b><u>123,513</u></b>	<b><u>654,545</u></b>	<b><u>5,871,236</u></b>	<b><u>956,392</u></b>	<b><u>4,914,844</u></b>

## Notes to the Financial Statements (cont'd)

### 11. SHARE CAPITAL

	Company	
	2001 RM	2000 RM
<b>Ordinary shares of RM1 each:</b>		
Authorised		
Balance at 1 January	100,000,000	10,000,000
Increased during the year	-	90,000,000
Balance at 31 December	<u>100,000,000</u>	<u>100,000,000</u>
Issued and fully paid		
Balance at 1 January	40,000,000	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	<u>40,000,000</u>	<u>40,000,000</u>

### 12. MINORITY INTEREST

Minority interest consists of the proportion of share capital and reserves of a subsidiary, net of the share of subsidiary's goodwill on consolidation and amortisation of goodwill charged to the minority shareholders.

### 13. DEFERRED TAXATION

	Group	
	2001 RM	2000 RM
At 1 January	1,700,000	526,000
Transfer (to)/from income statement	541,000	1,174,000
At 31 December	<u>2,241,000</u>	<u>1,700,000</u>

Subject to agreement by the Inland Revenue Board, the Company and the Group has potential deferred tax benefits not taken up in the financial statements under the liability method in respect of the following items:

	2001 RM	2000 RM
Unutilised tax losses	402,000	-
Other timing differences	9,000	-

## Notes to the Financial Statements (cont'd)

### 14. OPERATING PROFIT

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Revenue - sale of goods	87,898,044	107,582,053	-	-
- dividends	-	-	1,700,000	19,736,500
- management services	-	-	290,000	-
	<b>87,898,044</b>	<b>107,582,053</b>	<b>1,990,000</b>	<b>19,736,500</b>
Cost of goods	(72,379,717)	(84,871,371)	-	-
Gross profit	<b>15,518,327</b>	<b>22,710,682</b>	<b>1,990,000</b>	<b>19,736,500</b>
Operating profit for the year is arrived at after crediting:				
Gains on disposal of property, plant and equipment	-	148,433	-	-
Gain on foreign exchange				
- realised	47,338	48,636	-	-
- unrealised	-	22,536	-	-
Interest income				
- fixed deposit	286,164	151,489	3,820	15,561
after charging:-				
Auditors' remuneration				
- current	27,000	21,500	3,500	3,500
- overprovision	-	(8,500)	-	-
Amortisation of goodwill	264,987	264,987	-	-
Depreciation	5,049,192	3,772,472	29,131	4,345
Directors' remuneration	982,595	1,317,894	-	-
Directors' fees	44,500	18,000	44,500	18,000
Loss in foreign exchange				
- realised	54,831	23,459	-	-
Management fee payable to an affiliated company	250,000	230,000	250,000	-
Rental of machinery	3,136	6,270	3,096	-
Rental of land and building	265,472	157,330	24,000	10,000
Property, plant and equipment written off	8,877	36,457	-	-

### 15. EMPLOYEE INFORMATION

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Staff costs	11,897,444	12,244,030	166,462	70,219

The number of employees of the Group and of the Company (including Directors) at the end of the year was 395 (2000 - 489) and 3 (2000 - 3) respectively.

## Notes to the Financial Statements (cont'd)

### 16. FINANCING COSTS

	Group	
	2001 RM	2000 RM
Interest payable:		
Term loans	380,444	524,268
Bank overdrafts	-	9,392
Hire purchase	686,419	507,301
Bankers' acceptance	107,322	128,310
	<u>1,174,185</u>	<u>1,169,271</u>

### 17. TAX EXPENSE

	Group		Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Tax expense				
- Current year	280,244	1,455,000	-	2,343,617
- Underprovision in prior year	136,177	-	-	-
Transfer to/(from) deferred taxation	541,000	1,174,000	-	-
	<u>957,421</u>	<u>2,629,000</u>	<u>-</u>	<u>2,343,617</u>

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.

There is no tax expense for the Company due to the tax exempt dividend received during the year.

In year 2000, the effective tax rate of the Group is lower than the statutory tax rate of 28% due to utilization of reinvestment allowance. The Company's tax expense for year 2000 is in respect of dividend income.

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 2001 if paid out as dividends.

### 18. EARNINGS PER SHARE

The basic earnings per share for the financial year has been calculated on the Group's profit after taxation of RM3,033,240 (2000 - RM9,495,696) over the weighted average number of shares in issue of 40,000,000 (2000 - 34,580,000).

	2001 RM	2000 RM
<i>Weighted average number of ordinary shares</i>		
Issued ordinary shares at beginning of year	40,000,000	9,716,000
Effect of bonus issue	-	20,037,000
Effect of rights issue	-	2,444,000
Effect of shares issued during the year	-	2,383,000
	<u>40,000,000</u>	<u>34,580,000</u>

## Notes to the Financial Statements (cont'd)

### 19. DIVIDEND

	Group and Company 2001 RM	2000 RM
Ordinary First and final proposed 3% tax exempt per share (2000 - 5% tax exempt per share)	<u>1,200,000</u>	<u>2,000,000</u>

The proposed final dividend has not been accounted for in the financial statements of the Group and the Company as at 31 December 2001.

### 20. RELATED PARTIES

#### 20.1 Related party relationship

- i) AIC Corporation Berhad ("AIC") is an affiliated company as disclosed in Note 1(m).
- ii) AIC Semiconductor Sdn. Bhd., a subsidiary of AIC Corporation Berhad.

#### 20.2 Significant transactions with related parties

The related party transactions have been entered in the normal course of business and have been established under negotiated terms on arms length basis.

The significant related party transactions are as follows:

	2001 RM	2000 RM
<b>A) Rendering of services</b>		
a) Transactions with AIC:		
Management fee expense	250,000	230,000
Rental expense	24,000	10,000
b) Transactions with subsidiary of AIC:		
Sales to subsidiary of an affiliated company	<u>484,236</u>	<u>1,494,681</u>
<b>B) Sale of motor vehicle</b>		
a) Sale of a motor vehicle to Mr Chew Siew Hong, a Director	<u>54,348</u>	-

### 21. CAPITAL COMMITMENTS

	2001 RM	Group 2000 RM
Property, plant and equipment		
Approved and contracted for	-	2,263,140
Approved but not contracted for	-	85,000

### 22. CONTINGENT LIABILITIES

The Company has executed corporate guarantees in favour of licensed banks for facilities of up to a limit of RM27.350 million (2000 - RM17.896 million) granted to its subsidiaries.

## Notes to the Financial Statements (cont'd)

### 23. ACQUISITION OF SUBSIDIARIES

On 31 December 2001, the Group acquired 100% equity interest in JP Metal Sdn Bhd and 60% equity interest in PT Indotech Metal Nusantara for a consideration of RM3,664,000 and RM4,306,000 respectively. The acquisitions were accounted for using the acquisition method of accounting. As the subsidiaries were acquired on 31 December 2001, their post-acquisition results do not have an impact on the consolidated net profit for the year.

### 24. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business segments. The Group operates predominantly in Malaysia except a subsidiary which was acquired on 31 December 2001, and accordingly, information by geographical location on the Group's operations is not presented.

Inter-segment pricing is determined based on prevailing market rates/prices of the goods or services according to their usual commercial terms, business practices and policies or otherwise in accordance with other applicable industry norms/considerations, that is, best terms based on quotations and negotiated terms.

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

#### *Business segments*

The Group comprises the following main basis segments:

Investment holding	Ultimate holding company of the Group.
Precision stamping	Manufacturing and fabrication of tools and dies and stamped metal components and parts for electrical, consumer electronics and automotive industries.
Semiconductor tooling and automation	Manufacture of high precision tooling, dies sets, semiconductor moulds and parts and high precision jigs and fixtures, the design and manufacture of turnkey automation system, the equipment/systems for electronics and semiconductor industries.

<i>Analysis by activity</i>	Turnover		Profit before tax		Total assets employed	
	2001 RM	2000 RM	2001 RM	2000 RM	2001 RM	2000 RM
Investment holding	-	-	(747,176)	(428,070)	5,612,350	5,826,914
Precision stamping	68,618,325	78,819,650	2,472,860	6,270,984	56,910,491	46,200,746
Semiconductor tooling and automation	19,279,719	28,762,403	2,264,977	6,281,782	32,390,559	40,525,750
	<u>87,898,044</u>	<u>107,582,053</u>	<u>3,990,661</u>	<u>12,124,696</u>	<u>94,913,400</u>	<u>92,553,410</u>
<b>2001</b>		<b>Investment holding RM</b>	<b>Precision stamping RM</b>	<b>Semiconductor tooling and automation RM</b>	<b>Eliminations RM</b>	<b>Consolidated RM</b>
<i>Business Segments</i>						
Revenue from external customers		-	68,618,325	19,279,719	-	87,898,044
Inter-segment revenue		1,990,000	-	5,020	(1,995,020)	-
Total revenue		<u>1,990,000</u>	<u>68,618,325</u>	<u>19,284,739</u>	<u>(1,995,020)</u>	<u>87,898,044</u>
Segment result		<u>1,228,006</u>	<u>2,472,860</u>	<u>2,264,977</u>	<u>(1,975,182)</u>	<u>3,990,661</u>

## Notes to the Financial Statements (cont'd)

2000	Investment holding RM	Precision stamping RM	Semiconductor tooling and automation RM	Eliminations RM	Consolidated RM
<b>Business Segments</b>					
Revenue from external customers	-	78,819,650	28,762,403	-	107,582,053
Inter-segment revenue	21,803,586	-	2,067,086	(23,870,672)	-
Total revenue	21,803,586	78,819,650	30,829,489	(23,870,672)	107,582,053
Segment result	(428,070)	6,270,984	6,281,782	(20,001,486)	12,124,696

### 25. COMPARATIVE FIGURES

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

- i) In previous year, dividend was accrued as a liability when proposed by Directors. The Group has adopted the recommendation of MASB Standard 19 (Events after the balance sheet date) which is applicable on or after 1 July 2001. MASB 19 recommend the recognition of dividends as a liability when the obligation to pay is established (i.e. when the dividend is approved at the Annual General Meeting). As a result, the comparative figures for reporting of proposed dividend has been reclassified as follows:

	As previously reported RM	As restated RM	Effect RM
<b>Balance sheet</b>			
<b>Group</b>			
At 31 December 2000			
- retained earnings	15,984,648	17,984,468	2,000,000
- proposed dividends	2,000,000	-	(2,000,000)
<b>Company</b>			
At 31 December 2000			
- retained earnings	44,990	2,044,990	2,000,000
- proposed dividends	2,000,000	-	(2,000,000)
<b>Statement of changes in equity</b>			
<b>Group</b>			
Retained profits - 1999	23,945,427	26,945,427	3,000,000
Dividends paid - 1999	-	3,000,000	3,000,000
Retained profits - 2000	15,984,648	17,984,648	2,000,000
Dividends paid - 2000	-	2,000,000	2,000,000
<b>Company</b>			
Retained profits - 1999	271,666	3,271,666	3,000,000
Dividends paid - 1999	-	3,000,000	3,000,000
Retained profits - 2000	44,990	2,044,990	2,000,000
Dividends paid - 2000	-	2,000,000	2,000,000

- ii) In previous year, tax recoverable was classified as other receivables. MASB 1 (Presentation of Financial Statements) recommend the presentation of additional line item on the face of the balance sheet if necessary to present fairly the enterprise financial position. As a result, the comparative figures for reporting of tax recoverable has been reclassified as follows:

<b>Balance sheet</b>			
<b>Group</b>			
At 31 December 2000			
- other receivables	18,063,549	17,365,732	697,817
- tax recoverable	-	697,817	692,817
<b>Company</b>			
At 31 December 2000			
- other receivables	94,295	2,307	91,988
- tax recoverable	-	91,988	91,988

## Statistics on Shareholdings

AUTHORISED SHARE CAPITAL : RM100,000,000  
 ISSUED AND FULLY PAID-UP SHARE CAPITAL : RM40,000,000  
 CLASS OF SHARES : ORDINARY SHARES OF RM1.00 EACH  
 VOTING RIGHTS : ONE VOTE PER ORDINARY SHARE

### ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 29 MARCH 2002

Size of shareholdings	No. of Shareholders	%	No. of shares	%
Less than 1,000	1	0.05	698	0
1,000 - 10,000	1,819	94.25	4,177,000	10.44
10,001 - 100,000	86	4.45	2,190,000	5.48
100,001 to less than 5% of issued shares	20	1.04	10,640,430	26.60
5% and above of issued shares	4	0.21	22,991,872	57.48
<b>Total</b>	<b>1,930</b>	<b>100.00</b>	<b>40,000,000</b>	<b>100.00</b>

### LIST OF TOP 30 SHAREHOLDERS AS AT 29 MARCH 2002

No.	Name	No. of ordinary shares of RM1.00 each	Percentage of issued capital (%)
1	AIC Corporation Berhad	13,599,993	34.00
2	Liew Cheng York	4,743,021	11.86
3	Lim Siok Hui	2,628,459	6.57
4	Chew Siew Hong	2,020,399	5.05
5	Ooi Boon Pin	1,979,265	4.95
6	Permodalan Nasional Berhad	1,120,000	2.80
7	Liew Cheng York	1,075,611	2.69
8	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK -UOB Small Cap Opportunity Unit Trust	941,000	2.35
9	Ooi Boon Pin	904,736	2.26
10	Mayban Securities Nominees (Tempatan) Sdn Bhd Mayban Ventures Sdn Bhd For Liew Cheng York	600,000	1.50
11	Hoo Kuong	550,499	1.38
12	Ong Nai Pew	530,403	1.33
13	Lim Gaik See	366,000	0.91
14	Chen Shun Ching @ Hoo Chen Shun Ching	344,000	0.86
15	Ong Nai Pew	335,000	0.84

## Statistics on Shareholdings (cont'd)

### LIST OF TOP 30 SHAREHOLDERS AS AT 29 MARCH 2002 (CONT'D)

No.	Name	No. of ordinary shares of RM1.00 each	Percentage of issued capital (%)
16	OSK Nominees (Tempatan) Sdn Berhad Wong Chong Shee	321,000	0.80
17	Lim Siok Hui	314,283	0.78
18	Chang Chuen Lee	300,000	0.75
19	Liew Cheng York	294,633	0.74
20	Liew Kok Leong	153,000	0.38
21	Lee Jenny	151,000	0.38
22	Chong Lip Tee	135,000	0.34
23	Universal Trustee (Malaysia) Berhad BHLB Pacific Emerging Companies Growth Fund	117,000	0.29
24	Loh Khee Lian	108,000	0.27
25	Kao Cheng Fend	100,000	0.25
26	Chew Kwang Wey	100,000	0.25
27	Chew Ta Wey	100,000	0.25
28	Yee Yen Choon	76,000	0.19
29	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Low Kay Wai	65,000	0.16
30	Law Hor Khen	62,000	0.16
		<b>34,135,302</b>	<b>85.34</b>

## Statistics on Shareholdings (cont'd)

### SUBSTANTIAL SHAREHOLDINGS AS AT 29 MARCH 2002

#### (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS OF JOTECH HOLDINGS BERHAD)

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
Liew Cheng York	6,652,265	16.63	-	-
Lim Siok Hui	2,942,742	7.36	-	-
Ooi Boon Pin	2,884,001	7.21	-	-
Chew Siew Hong	2,020,399	5.05	-	-
AIC Corporation Berhad	13,599,993	34.00	-	-
Asteria Consolidated Sdn. Bhd.	-	-	13,599,993 (a)	34.00
Golden Prism Sdn. Bhd.	-	-	13,599,993 (b)	34.00
Nadi Mal Sdn. Bhd.	-	-	13,599,993 (b)	34.00
Datuk Haji Sarip Bin Hamid	50,000	0.125	13,599,993 (c)	34.00
Hakikat Seri Sdn. Bhd.	-	-	13,599,993 (d)	34.00
Maznah Bte Mohamad	1,000	0.00	13,599,993 (e)	34.00

#### Notes :-

- Deemed interest by virtue of its substantial shareholdings in AIC Corporation Berhad
- Deemed interest by virtue of its substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd.
- Deemed Interest by virtue of his substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd. and Golden Prism Sdn. Bhd.
- Deemed interest by virtue of its substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd. and Nadi Mal Sdn. Bhd.
- Deemed interest by virtue of her substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated Sdn. Bhd., Nadi Mal Sdn. Bhd. and Hakikat Seri Sdn. Bhd.

## Statistics on Shareholdings (cont'd)

### DIRECTORS' SHAREHOLDINGS AS AT 29 MARCH 2002

(AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

Name	Direct Interest No. of Shares	Percentage (%)	Indirect Interest No. of Shares	Percentage (%)
Datuk Haji Sarip Bin Hamid	50,000	0.125	* 13,599,993	34.00
Tuan Haji Mohd Ali Bin Bawal	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	6,652,265	16.63	-	-
Ashari Bin Ayub	10,000	0.025	-	-
Lasa Bin Mat Desa	10,000	0.025	-	-
Lt Jen (B) Datuk Haji Abdul Aziz Bin Hassan	-	-	-	-
<b>Total</b>	<b>14,579,407</b>	<b>36.45</b>	<b>* 13,599,993</b>	<b>34.00</b>

\* Deemed interest by virtue of his substantial shareholdings in AIC Corporation Berhad through Asteria Consolidated 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 31/12/2001
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.	4.5 years	66,000	31,000	60 years leasehold land expiring in year 2057	3,820,310
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 Electronic and Electrical industries.	4.5 years	78,400	63,000	Freehold	8,052,547
Kawasan Industri KIIC C-7C Jl. Tol Jakarta - Cikampek, KM 47 Teluk Jambe Karawang 41361 Indonesia	Office and factory building Manufacture and fabrication of tools and dies and parts of electronics and electrical industries.	5 years	46,467	68,245	30 years leasehold land expiring year 2027	3,312,726

# Form of Proxy



**JOTECH HOLDINGS BERHAD**

(company no: 334818-P)  
(Incorporated in Malaysia)

Seventh 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 Seventh Annual General Meeting of the Company to be held at Concorde II, Level 2, Concorde Hotel, 3, Jalan Tengku Ampuan Zabedah C9/C, 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 22 May 2002 at 2.30 p.m. and at any adjournment thereof.

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

No.	Resolution		For	Against
<b>ORDINARY BUSINESS</b>				
1.	To receive and adopt the Audited Accounts for the year ended 31 December 2001 together with the Directors' and Auditors' Reports thereon.	(Ordinary Resolution 1)		
2.	To declare a First and Final Tax-Exempt Dividend of 3% for the year ended 31 December 2001.	(Ordinary Resolution 2)		
3.	To approve the payment of Directors' fees of RM44,500.00 for the year ended 31 December 2001.	(Ordinary Resolution 3)		
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 Siok Hui 4.2 Chew Siew Hong	(Ordinary Resolution 4) (Ordinary Resolution 5)		
5.	To re-elect the following Director who is retiring in accordance with Article 85 of the Company's Articles of Association :- 5.1 Lt Jen (B) Datuk Haji Abdul Aziz Bin Hassan	(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)		
<b>SPECIAL BUSINESS</b>				
7.(a)	Proposed Executive Share Option Scheme	(Ordinary Resolution 8)		
(b)	Proposed Issue of Options to Yg. Bhg. Datuk Haji Sarip Bin Hamid	(Ordinary Resolution 9)		
(c)	Proposed Issue of Options to Tuan Haji Mohd Ali Bin Bawal	(Ordinary Resolution 10)		
(d)	Proposed Issue of Options to Madam Liew Cheng York	(Ordinary Resolution 11)		
(e)	Proposed Issue of Options to Mr Ooi Boon Pin	(Ordinary Resolution 12)		
(f)	Proposed Issue of Options to Mr Lim Siok Hui	(Ordinary Resolution 13)		
(g)	Proposed Issue of Options to Mr Chew Siew Hong	(Ordinary Resolution 14)		
(h)	Proposed Shareholders' Mandate	(Ordinary Resolution 15)		
(i)	Proposed Purchase of Own Shares	(Ordinary Resolution 16)		
(j)	Authority to allot and issue shares in general pursuant to Section 132D of the Companies Act, 1965	(Ordinary Resolution 17)		

[Please indicate with (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]

Dated this ..... day of ..... 2002.

Number of ordinary shares held :

\_\_\_\_\_  
Signature/Common Seal of Shareholder(s)

[\* Delete if not applicable]

Notes :-

1. A member entitled to attend and vote at the Seventh 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.

Fold 1 Explanatory notes on special business of the Agenda

Item 7(a) to 7(i)

For further information on the Proposed Executive Share Option Scheme, Proposed Issue of Options to Yg. Bhg. Datuk Haji Sarip Bin Hamid, Tuan Haji Mohd Ali Bin Bawal, Madam Liew Cheng York, Mr. Ooi Boon Pin, Mr. Lim Siok Hui and Mr. Chew Siew Hong, Proposed Shareholders' Mandate and Proposed Purchase of Own Shares, please refer to the Circular to Shareholder dated 29 April 2002 enclosed together with the Company's Annual Report 2001.

Item 7 (j)

The Ordinary Resolution proposed under item 7(j) 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 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.

Fold 2

The Company Secretary

STAMP

**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

Fold 3

Seal Here