



# FINANCIAL STATEMENTS

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## DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31st December, 2002.

### PRINCIPAL ACTIVITIES

During the year, the Company commenced its business as an investment holding company. The principal activities of the subsidiary companies are set out in note 4 to the financial statements. There have been no significant changes in the nature of these activities during the year.

### RESULTS

	GROUP RM	COMPANY RM
Profit attributable to shareholders	8,459,081	2,409,995

### DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year and the Directors recommend a final dividend of 8% per share less 28% tax amounting to RM2,361,600/- in respect of payment for the current financial year.

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the year other than those disclosed in the financial statements.

### BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would require the amount written off for bad debts, or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

## **CURRENT ASSETS**

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

## **VALUATION METHODS**

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## **CONTINGENT AND OTHER LIABILITIES**

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

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

No contingent liability or other liability of the Group or of 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 or of the Company to meet their obligations as and when they fall due.

## **CHANGE OF CIRCUMSTANCES**

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

## **ITEMS OF AN UNUSUAL NATURE**

In the opinion of the Directors:-

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## ISSUE OF SHARES

During the financial year, the following issues of shares were made by the Company:-

Class	Number	Terms of Issue	Purpose of Issue
Ordinary RM1/-	: 29,097,000	Otherwise than cash	For acquisition of Central Aluminium Manufactory Sdn. Bhd. and its subsidiary companies
Ordinary RM1/-	: 268,000	Otherwise than cash	For acquisition of remaining shares in Central Melamineware Sdn. Bhd.
Ordinary RM1/-	: 5,185,000	Cash	Special issue to Bumiputera
Ordinary RM1/-	: 6,150,000	Cash	Public issue

## DIRECTORS OF THE COMPANY

The Directors in office since the date of the last report are:-

LEE CHIN YEN  
TAN HONG CHENG  
HIA WAN KIGA  
LEE POH CHOO (F)  
TAN KIM HONG (F)  
CHAI MOI KIM  
CHIA KAY JOO  
AZIZUL MOHD OTHMAN

The interest of the Directors in office as at the end of the financial year in the shares of the Company during the financial year according to the registers required to be kept under Section 134 of the Companies Act, 1965, are as follows:-

	Number of Ordinary Shares of RM1/- Each			
	At 1.1.02	Bought	Sold	At 31.12.02
<b>Direct Interest</b>				
Lee Chin Yen	-	9,646,690	(1,265,000)	8,381,690
Tan Hong Cheng	-	8,536,602	(1,265,000)	7,271,602
Hia Wan Kiga	-	4,757,000	(1,265,000)	3,492,000
<b>Indirect Interest</b>				
Lee Chin Yen *	-	1,726,310	-	1,726,310
Tan Hong Cheng *	-	1,815,398	-	1,815,398
Lee Poh Choo **	-	11,373,000	(1,265,000)	10,108,000
Tan Kim Hong ***	-	10,352,000	(1,265,000)	9,087,000

\*Shares held through a nominee company.

\*\*Shares held by her father, Mr. Lee Chin Yen

\*\*\*Shares held by her father, Mr. Tan Hong Cheng

By virtue of their interest in the shares of the Company the Directors as disclosed above are also deemed to have an interest in the shares of the subsidiary companies to the extent of the shareholdings of the Company.

In accordance with Article 91 of the Company's Articles of Association, Mr. Lee Chin Yen retires from the board at the forthcoming annual general meeting and being eligible offers himself for re-election.

In accordance with Article 93 of the Company's Articles of Association, Messrs. Lee Poh Choo, Tan Kim Hong, Chai Moi Kim, Azizul Mohd Othman and Chia Kay Joo retire from the board at the forthcoming annual general meeting and being eligible offer themselves for re-election.

#### **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 those disclosed as directors fees, other emoluments and benefits-in-kind in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for the deemed benefit which may arise from transactions entered into in the ordinary course of business as disclosed in note 33(c) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to other body corporate.

enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any

#### **SIGNIFICANT EVENTS**

Significant events arising during the financial year are disclosed in note 36 to the financial statements.

#### **AUDITORS**

The auditors, Messrs. Moore Stephens, have expressed their willingness to continue in office.

On Behalf of the Board

**LEE CHIN YEN**

**TAN HONG CHENG**

KUALA LUMPUR  
28 April 2003

## STATEMENT BY DIRECTORS

We, the undersigned, being two of the Directors of the Company, state that in the opinion of the Directors, the accompanying financial statements as set out on pages 26 to 61, are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of changes in equity and cash flows of the Group and of the Company for the year ended on that date.

On Behalf of the Board

**LEE CHIN YEN**

**TAN HONG CHENG**

KUALA LUMPUR  
28 April 2003

the state of affairs of the Group and of the Company as at 31st December, 2002 and of the results of the operations,

## STATUTORY DECLARATION

I, Lee Chin Yen, NRIC No.: 491130-08-6121, being the Director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 26 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.

**LEE CHIN YEN**

Subscribed and solemnly declared at  
Kuala Lumpur in the Federal Territory  
this 28th day of April 2003

Before me

Haron Hashim  
No. W128  
Commissioner for Oaths

# REPORT OF THE AUDITORS

We have audited the financial statements set out on pages 26 to 61.

The preparation of the financial statements are 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 the 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 considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit 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 have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:-
  - (i) the matters required by Section 169 of the Companies Act, 1965, to be dealt with in the financial statements of the Group and of the Company; and
  - (ii) the state of affairs of the Group and of the Company as at 31st December, 2002 and of the results of the operations, changes in equity and cash flows of the Group and of the Company for the year ended on that date;

and

- (b) the accounting and other records and the registers required by the Companies Act, 1965, to be kept by the Company and its subsidiary companies 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 subsidiary companies 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 these purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174(3) of the Companies Act, 1965.

MOORE STEPHENS  
CHARTERED ACCOUNTANTS  
(AF.0282)

CHONG KWONG CHIN  
707/04/04 (J/PH)  
PARTNER

KUALA LUMPUR  
28 April 2003

# BALANCE SHEETS

AS AT 31ST DECEMBER, 2002

	NOTE	GROUP	COMPANY	
		2002 RM	2002 RM	2001 RM
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	3	39,476,661	-	-
Investments in subsidiary companies	4	-	46,683,460	-
Other investments	5	95,888	-	-
Deferred expenditure	6	-	-	722,547
		<u>39,572,549</u>	<u>46,683,460</u>	<u>722,547</u>
<b>CURRENT ASSETS</b>				
Inventories	7	25,611,612	-	-
Trade receivables	8	15,094,090	-	-
Other receivables, deposits and prepayments	9	3,656,427	2,427,588	90,150
Tax assets	10	593,618	-	-
Amount owing by subsidiary companies	11	-	2,645,558	-
Fixed deposits with licensed banks	12	5,901,600	5,022,139	-
Cash and bank balances		1,776,328	94,700	155,252
		<u>52,633,675</u>	<u>10,189,985</u>	<u>245,402</u>
<b>CURRENT LIABILITIES</b>				
Trade payables	13	1,628,218	-	-
Other payables and accruals	14	2,366,300	79,553	673,296
Amount owing to a director	15	-	-	6,415
Bank overdrafts - secured	16	1,276,554	-	-
Bank borrowings	17	14,363,060	-	-
Tax liabilities		552,058	17,185	-
		<u>20,186,190</u>	<u>96,738</u>	<u>679,711</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>				
		<u>32,447,485</u>	<u>10,093,247</u>	<u>(434,309)</u>
		<u>72,020,034</u>	<u>56,776,707</u>	<u>288,238</u>



		GROUP	COMPANY	
	NOTE	2002 RM	2002 RM	2001 RM
CAPITAL AND RESERVES				
Share capital	18	41,000,000	41,000,000	300,000
Reserves	19	26,700,569	15,776,707	(11,762)
		<hr/>	<hr/>	<hr/>
SHAREHOLDERS' EQUITY		67,700,569	56,776,707	288,238
NON-CURRENT LIABILITIES				
Term loans	20	1,879,465	-	-
Deferred taxation	21	2,440,000	-	-
		4,319,465	-	-
		<hr/>	<hr/>	<hr/>
		72,020,034	56,776,707	288,238
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# INCOME STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2002

	NOTE	GROUP	COMPANY	
		Year ended 31.12.02 RM	Year ended 31.12.02 RM	Period from 20.12.00 to 31.12.01 RM
OPERATING REVENUE	22	49,847,944	3,370,053	-
DIRECT OPERATING COSTS	23	(35,469,692)	-	-
GROSS PROFIT		14,378,252	3,370,053	-
OTHER OPERATING REVENUE		3,294,509	163,935	-
DISTRIBUTION COSTS		(3,603,587)	-	-
ADMINISTRATIVE COSTS		(2,288,965)	(143,993)	(11,762)
OTHER OPERATING COSTS		(239,834)	-	-
		(6,132,386)	(143,993)	(11,762)
PROFIT/(LOSS) FROM OPERATIONS		11,540,375	3,389,995	(11,762)
FINANCE COSTS		(1,112,709)	-	-
PROFIT/(LOSS) BEFORE TAXATION	24	10,427,666	3,389,995	(11,762)
TAXATION	25	(1,968,585)	(980,000)	-
PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS		8,459,081	2,409,995	(11,762)
EARNINGS PER SHARE (SEN)	26	21.83		
PROPOSED FINAL DIVIDEND PER SHARE NET OF TAX (SEN)	27	5.76		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

## STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER, 2002

	SHARE CAPITAL RM	SHARE PREMIUM RM	RESERVE ON CONSOLIDATION RM	RETAINED PROFITS RM	TOTAL SHAREHOLDERS' EQUITY RM
<b>GROUP</b>					
At 20.12.00 (date of incorporation)	300,000	-	-	-	300,000
Loss for the period	-	-	-	(11,762)	(11,762)
At 31.12.01	300,000	-	-	(11,762)	288,238
Allotment of shares	40,700,000	14,977,100	-	-	55,677,100
Listing expenses written off *	-	(1,598,626)	-	-	(1,598,626)
Reserve on consolidation (note 28(i))	-	-	4,874,776	-	4,874,776
Profit for the year	-	-	-	8,459,081	8,459,081
At 31.12.02	41,000,000	13,378,474	4,874,776	8,447,319	67,700,569
<b>COMPANY</b>					
At 20.12.00 (date of incorporation)	300,000	-	-	-	300,000
Loss for the period	-	-	-	(11,762)	(11,762)
At 31.12.01	300,000	-	-	(11,762)	288,238
Allotment of shares	40,700,000	14,977,100	-	-	55,677,100
Listing expenses written off *	-	(1,598,626)	-	-	(1,598,626)
Profit for the year	-	-	-	2,409,995	2,409,995
At 31.12.02	41,000,000	13,378,474	-	2,398,233	56,776,707

\*Expenses not directly recognised in income statements.

## CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2002

	NOTE	GROUP	COMPANY	
		Year ended 31.12.02 RM	Year ended 31.12.02 RM	Period from 20.12.00 to 31.12.01 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) Before Taxation		10,427,666	3,389,995	(11,762)
Adjustments for:-				
Allowance for doubtful debts		52,526	-	-
Bad debts written off		87,740	-	-
Depreciation of property, plant and equipment		3,555,044	-	-
Dividend revenue		-	(3,370,053)	-
Gain on disposal of property, plant and equipment		(1,824,427)	-	-
Interest expenses		997,137	-	-
Interest revenue		(207,095)	(163,935)	-
Property, plant and equipment written off		3,343	-	-
Sundry deposit written off		6,625	-	-
Unrealised loss on foreign exchange		8,528	-	-
Operating Profit/(Loss) Before Working Capital Changes		13,107,087	(143,993)	(11,762)
Increase in inventories		(7,933,533)	-	-
(Increase)/Decrease in trade and other receivables		(1,966,806)	89,000	(90,150)
(Decrease)/Increase in trade and other payables		(2,791,743)	(600,158)	679,711
Cash Generated From/(Used In) Operations		415,005	(655,151)	577,799
Interest paid		(997,137)	-	-
Tax paid		(1,734,953)	(19,200)	-
Net Cash (Used In)/Generated From Operating Activities		(2,317,085)	(674,351)	577,799

	NOTE	GROUP	COMPANY	
		Year ended 31.12.02 RM	Year ended 31.12.02 RM	Period from 20.12.00 to 31.12.01 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of subsidiary companies		-	(6,648,660)	-
Acquisition of subsidiary companies, net of cash acquired	28	1,251,817	-	-
Advances to subsidiary companies		-	(2,645,558)	-
Interest received		207,095	163,935	-
Proceeds from disposal of property, plant and equipment		345,300	-	-
Purchase of property, plant, equipment and capital work-in-progress		(8,633,246)	-	-
Net Cash Used In Investing Activities		(6,829,034)	(9,130,283)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of bankers' acceptance		(39,661,000)	-	-
Repayment of term loan		(849,453)	-	-
Repayment of lease obligation		(14,705)	-	-
Proceeds from bankers' acceptance		41,150,000	-	-
Listing expenses incurred		(876,079)	(876,079)	(722,547)
Proceeds from issuance of shares		15,642,300	15,642,300	300,000
Net Cash Generated From/ (Used In) Financing Activities		15,391,063	14,766,221	(422,547)
Effects of exchange rate changes on cash and cash equivalents		1,178	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,246,122	4,961,587	155,252
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		155,252	155,252	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	29	6,401,374	5,116,839	155,252

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER, 2002

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

## 1. GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia, and listed on the Second Board of the Kuala Lumpur Stock Exchange. The registered office of the Company is located at Mezzanine Floor, 8A, Jalan Sri Semantan Satu, Damansara Heights, 50490 Kuala Lumpur while the principal place of business is located at Batu 12, Jalan Hutan Melintang, 36400 Hutan Melintang, Perak Darul Ridzuan.

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are disclosed in the notes 4 to the financial statements. There have been no significant changes in the nature of these activities during the year.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 00.04.03

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Accounting

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

### (b) Basis of Consolidation

The consolidated financial statements incorporate the audited financial statements of the Company and all of its subsidiary companies which are disclosed in note 4 to the financial statements made up to the end of the financial year.

All intra-group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

The financial statements of the subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements based on the acquisition method from the effective date of acquisition or up to the effective date of disposal respectively. The assets and liabilities of a subsidiary company are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet.

### (c) Subsidiary Company

A subsidiary company is an enterprise in which the Group has the power to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Investments in subsidiary companies, which are eliminated on consolidation, are stated at cost less accumulated impairment losses, if any, in the Company's financial statements. Impairment loss is determined on individual basis.

**(d) Goodwill or Reserve on Consolidation**

Goodwill or reserve on consolidation arising from acquisition of subsidiary companies represents the difference between the consideration paid for the shares in the subsidiary companies and the fair values attributable to the identifiable assets and liabilities of the subsidiary companies at the effective date of their acquisition.

Goodwill or reserve on consolidation is retained in the consolidated financial statements at cost less accumulated impairment losses, if any. Upon the disposal of interest in the subsidiary company, the related goodwill or reserve on consolidation will be included in the computation of gain or loss on disposal of interest in the subsidiary company in income statement.

**(e) Property, Plant and Equipment and Depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land and capital work-in-progress which are not depreciated.

All other property, plant and equipment are depreciated on the straight line method to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:-

Buildings and warehouse	2%
Furniture, fittings, office equipment and signboard	5% - 10%
Factory equipment and electrical installation	5% - 10%
Motor vehicles	20%
Moulds	20%
Plant and machinery	10%
Renovation	5%

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

Gain or loss arising from the disposal of an property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the property, plant and equipment and is recognised in the income statement.

Capital work-in-progress consists of expenditure incurred on construction of property, plant and equipment which take a substantial period of time to be ready for their intended uses.

This expenditure is stated at cost less accumulated impairment losses, if any, and no depreciation is provided. Upon completion of construction, the cost will be reclassified to the respective property, plant and equipment and depreciated according to the depreciation policy of the Group.

**(f) Impairment of Assets**

The carrying amounts of assets other than inventories, financial assets and tax assets 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. The recoverable amount is the higher of net selling price and the value in use, which is measured by reference to discounted future cash flows. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised as an expense in the income statement.

Reversal of impairment loss due to a subsequent increase in recoverable amount is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised as revenue in the income statement.

**(g) Deferred Expenditure**

Deferred expenditure in respect of expenses incurred in relation with the listing exercise undertaken by the Company will be written off against the share premium arising from new shares to be issued pursuant to the listing exercise.

**(h) Inventories**

Inventories are stated at the lower of cost and net realisable value and are determined on the weighted average basis. Cost includes the actual cost of purchases and incidentals in bringing the inventories into store and for manufactured inventories, it also includes a portion of labour and relevant production overheads.

In arriving at the net realisable value, due allowance would be made for all obsolete and slow-moving items.

**(i) Foreign Currency Transaction**

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling at the time of the transaction and where settlement had not taken place by 31st December, 2002, at the approximate rates ruling as at that date. All gains and losses on exchange are included in the income statement.

The principal exchange rates (denominated in units of Ringgit Malaysia per foreign currency) used in translating foreign currency amounts are as follows:-

	2002	2001
	RM	RM
Singapore Dollar	2.192	2.049
Brunei Dollar	2.192	2.049
United States Dollar	3.800	3.795
Sri Lanka Rupee	0.039	0.040
New Taiwan Dollar	0.111	-



**(j) Leases**

Lease is an agreement whereby the lessor conveys to the lessee, in return for a series of minimum lease payments, the rights to use an asset for an agreed lease term.

Property, plant and equipment on leases that transfer substantially all risks and rewards incident to ownership are accounted for under the finance lease method in which the fair market value of the leased property, plant and equipment or, if lower at the present value of the minimum lease payments, are capitalised as property, plant and equipment and depreciated in accordance with the Company's policy on depreciation of property, plant and equipment. The present value of the minimum lease payments is calculated based on discount factor equivalent to the interest rate implicit in the lease. The related finance charges are allocated to the income statement based on the sum-of-digit method so as to produce a constant periodic rate of interest charges on the remaining balance of the liability. The total outstanding minimum lease payments after deducting the future finance charges, representing the present value of minimum lease payments, are included in creditors.

All other leases are accounted for under the operating lease method in which the minimum lease payments are recognised as expenses in the income statement as and when they are incurred.

**(k) Taxation**

The tax expense for the year is based on the profit for the year, as adjusted for tax purposes, together with a charge or credit for deferred taxation.

Deferred taxation is provided for by the liability method in respect of all material timing differences except where it is thought reasonable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax benefits are only recognised when there is a reasonable expectation of realisation in the near future.

**(l) Revenue Recognition**

Revenue from sales of goods is recognised when goods are delivered.

Interest revenue are recognised on time proportion basis that reflects the effective yield of the asset.

Dividend revenue from subsidiary companies is recognised when the right to received the dividend is established. Dividend revenue from other investments is recognised on receipt basis.

**(m) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

## **(n) Financial Instruments**

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as assets or liabilities, are reported as expense or revenue. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

### **(i) Other Investments**

Other investments are stated at cost less allowance for diminution in value, if any. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

### **(ii) Receivables**

Receivables are stated at cost less allowance for doubtful debts, if any, which is the anticipated realisable values. Known bad debts are written off and specific allowance is made for those debts considered to be doubtful of collection.

### **(iii) Payables**

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

### **(iv) Interest Bearings Bank Borrowings**

Interest bearing bank borrowings which include loans, bank overdrafts and bankers' acceptance are stated at the amount of proceeds received, net of transaction costs.

### **(v) Equity Instruments**

Ordinary shares are classified as equity.

The transaction costs of an equity transaction, other than in the context of a business combination, are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

### 3. PROPERTY, PLANT AND EQUIPMENT

GROUP	FREEHOLD LAND RM	BUILDINGS & WAREHOUSE RM	PLANT & MACHINERY, MOULDS, FACTORY EQUIPMENT & ELECTRICAL INSTALLATION RM	FURNITURE, FITTINGS, OFFICE EQUIPMENT & SIGNBOARD & RENOVATION RM	MOTOR VEHICLES RM	CAPITAL WORK-IN- PROGRESS RM	TOTAL RM
<b>COST</b>							
In respect of subsidiary companies acquired	4,634,668	11,011,043	28,902,152	1,199,112	1,769,636	716,963	48,233,574
Additions	202,538	29,917	1,488,519	85,634	794,172	6,032,466	8,633,246
Reclassified from capital work-in-progress	-	750,946	625,874	-	-	(1,376,820)	-
Disposals	-	-	(81,398)	(12,575)	(99,512)	-	(193,485)
Written off	-	-	-	(45,810)	-	-	(45,810)
At 31.12.02	4,837,206	11,791,906	30,935,147	1,226,361	2,464,296	5,372,609	56,627,525
<b>ACCUMULATED DEPRECIATION</b>							
In respect of subsidiary companies acquired	-	650,970	11,037,606	525,491	1,594,838	-	13,808,905
Charge for the year	-	411,081	2,839,682	104,274	200,007	-	3,555,044
Disposals	-	-	(66,698)	(8,663)	(95,257)	-	(170,618)
Written off	-	-	-	(42,467)	-	-	(42,467)
At 31.12.02	-	1,062,051	13,810,590	578,635	1,699,588	-	17,150,864
<b>NET BOOK VALUE</b>							
At 31.12.02	4,837,206	10,729,855	17,124,557	647,726	764,708	5,372,609	39,476,661

Included in the property, plant and equipment of the Group is property, plant and equipment pledged to licensed banks for banking facilities obtained as follows:-

	GROUP 2002 RM
NET BOOK VALUE	
Freehold land	4,514,206
Buildings and warehouse	9,881,474
Factory equipment	80,730
Moulds	1,576
Plant and machinery	2,238,988
	<u>16,716,974</u>

The capital work-in-progress is in respect of cost incurred on construction of machinery, moulds, factory and office buildings by subsidiary companies.

#### 4. INVESTMENTS IN SUBSIDIARY COMPANIES

	COMPANY	
	2002 RM	2001 RM
Unquoted shares, at cost	46,683,460	-

The particulars of subsidiary companies are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest	
			2002	2001
Central Aluminium Manufactory Sdn. Bhd.	Malaysia	Manufacturing and trading in aluminium and stainless steel household products	100%	-
Central Melamineware Sdn. Bhd.	Malaysia	Manufacturing and trading in melamineware products	100%	-
Advance Eagle Marketing Sdn. Bhd.	Malaysia	Trading of household products	100%	-

#### 5. OTHER INVESTMENTS

	GROUP 2002 RM
At cost;	
Securities quoted in Malaysia	
- shares	78,888
Transferable club membership	17,000
	95,888
Market value	
- quoted shares	16,987

As at year end, the aggregate cost of the quoted shares have exceeded the aggregate market value as at that date by RM61,901/-. No allowance for diminution in value has been made on these quoted shares as they are intended to be held for long term and that the amounts involved are not material.

The above quoted shares are registered under the name of a director of the Company, Mr. Lee Chin Yen, and are held in trust for the Company.

## 6. DEFERRED EXPENDITURE

	GROUP/ COMPANY 2002 RM	COMPANY 2001 RM
Listing expenses, at cost		
At beginning of the year	722,547	-
Additions during the year	876,079	722,547
	<u>1,598,626</u>	<u>722,547</u>
Less: Set-off against share premium account (note 30)	(1,598,626)	-
At end of the year	<u>-</u>	<u>722,547</u>

## 7. INVENTORIES

	GROUP 2002 RM
At cost;	
Goods-in-transit - raw materials	437,816
Raw materials	11,992,514
Work-in-progress	4,105,315
Finished goods	9,075,967
	<u>25,611,612</u>

There were no inventories carried at net realisable value.

## 8. TRADE RECEIVABLES

	GROUP 2002 RM
Balance outstanding	15,146,616
Less: Allowances for doubtful debts	(52,526)
	<u>15,094,090</u>

The Group's normal trade credit term extended to trade debtors ranges from 30 to 120 days.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor.

Included in trade receivables is an amount of RM69,564/- owing by a company, Caelygirl (M) Sdn. Bhd., in which Mr. Khor Mooi Soong, a brother-in-law of Mr. Tan Hong Cheng, has substantial financial interest and is also director. This amount is unsecured, interest free and is receivable according to terms mutually agreed upon with this company.

## 9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP	COMPANY	
	2002 RM	2002 RM	2001 RM
Other receivables	3,033,430	-	90,000
Staff advances	240,053	-	-
Sundry deposits	228,817	1,150	150
Prepayments	154,127	-	-
Dividends receivable	-	2,426,438	-
	<u>3,656,427</u>	<u>2,427,588</u>	<u>90,150</u>

Dividends receivable are in respect of dividend declared by the subsidiary companies, Central Aluminium Manufactory Sdn. Bhd. and Central Melamineware Sdn. Bhd..

Included in other receivables of the Group are amounts of RM1,501,994/- and RM1,517,720/- in respect of outstanding proceeds from the disposal of property, plant and equipment and sale and installation of machinery respectively to a third party.

## 10. TAX ASSETS

This is in respect of tax paid in advance to Inland Revenue Board by the Group.

## 11. AMOUNT OWING BY SUBSIDIARY COMPANIES

	COMPANY	
	2002 RM	2001 RM
In respect of amount owing by:-		
Central Aluminium Manufactory Sdn. Bhd.	1,763,340	-
Central Melamineware Sdn. Bhd.	882,218	-
	<u>2,645,558</u>	<u>-</u>

These amounts are non-trade in nature, unsecured, interest free and have no fixed term of repayment.

## 12. FIXED DEPOSITS WITH LICENSED BANKS

	GROUP	COMPANY	
	2002 RM	2002 RM	2001 RM
Fixed deposits with licensed banks			
- pledged	862,608	-	-
- unpledged	5,038,992	5,022,139	-
	<u>5,901,600</u>	<u>5,022,139</u>	<u>-</u>

The fixed deposits of the Company bear interest at rates ranging from 2.6% to 3.2% (2001 : Nil) per annum and the maturities of the fixed deposits of the Company as at 31st December, 2002 was 30 days.

The fixed deposits of the Group bear interest at rates ranging from 2.6% to 4.0% per annum and the maturities of the fixed deposits of the Group as at 31st December, 2002 ranged from 30 to 365 days.

Included in the fixed deposits of the Group are certain fixed deposits which are registered under the names of certain directors of the Company and being held in trust for its subsidiary companies as follows:-

	GROUP 2002 RM
Under joint names of Messrs. Lee Chin Yen and Tan Hong Cheng for:-	
Central Aluminium Manufactory Sdn. Bhd.	543,759
Central Melamineware Sdn. Bhd.	318,849
Advance Eagle Marketing Sdn. Bhd.	16,853
	<u>879,461</u>

The fixed deposits of the subsidiary companies, Central Aluminium Manufactory Sdn. Bhd. and Central Melamineware Sdn. Bhd., amounted to RM543,759/- and RM318,849/- respectively are pledged as securities for banking facilities granted to the subsidiary companies as mentioned in notes 16 and 17 to the financial statements.

### 13. TRADE PAYABLES

The normal trade credit term granted by trade creditors to the Group ranges from 30 to 120 days.

Included in trade payables is an amount of RM9,207/- owing to a company, Rubysteel Metal Industry (M) Sdn. Bhd., in which Messrs. Khor Mooi Soong and Khor Mooi Huat, the brothers-in-law of Mr. Tan Hong Cheng, have substantial financial interest and are also directors. This amount is unsecured, interest free and is payable according to terms mutually agreed upon with this company.

### 14. SUNDRY PAYABLES AND ACCRUALS

	GROUP 2002 RM	COMPANY 2002 RM	2001 RM
Sundry payables	214,686	70,000	671,721
Accruals	2,151,614	9,553	1,575
	<u>2,366,300</u>	<u>79,553</u>	<u>673,296</u>

#### 15. AMOUNT OWING TO A DIRECTOR

	COMPANY	
	2002 RM	2001 RM
Lee Chin Yen	-	6,415

The amount owing to a director, Mr. Lee Chin Yen, in previous year is non-trade in nature, unsecured, interest free and had been settled during the financial year.

#### 16. BANK OVERDRAFTS - SECURED

The bank overdrafts of the Group bear interest at rates ranging from 7.65% to 8.20% per annum.

The securities for the bank overdrafts are disclosed in the note 17 to the financial statements.

#### 17. BANK BORROWINGS

	GROUP 2002 RM
SECURED	
Bankers' acceptance	9,431,000
Term loans (note 20)	742,060
	10,173,060
UNSECURED	
Bankers' acceptance	4,190,000
	14,363,060

The bankers' acceptances of the Group bear interest at rates ranging from 2.83% to 4.76% per annum.

The secured bank overdrafts as disclosed in note 17 to the financial statements and the bankers' acceptances facilities of the Group are secured by the following:-



(a) Specific securities

- (i) fixed charges and debentures for RM1,200,000/- on a piece of freehold land of a subsidiary company, Central Aluminium Manufactory Sdn. Bhd. ("CALuminium");
- (ii) fixed charges and debentures for RM145,000/- and RM1,200,000/- on landed properties of CALuminium; and
- (iii) facility agreement and first legal charge for RM400,000/- over a subsidiary company's, Central Melamine Sdn. Bhd. ("CMelamine"), freehold land.

(b) Common securities

- (i) debentures totalling RM8,050,000/- comprising fixed and floating charges over all assets of CALuminium;
- (ii) lien on fixed deposits of CALuminium and CMelamine with interest to be capitalised;
- (iii) joint and several guarantees by certain directors of the Company, namely Mr. Lee Chin Yen and Mr. Tan Hong Cheng;
- (iv) negative pledge by CMelamine;
- (v) corporate guarantee by CALuminium to CMelamine; and
- (vi) corporate guarantee by the Company.

The unsecured bankers' acceptances of the Group are supported by the following:-

- (a) facility agreement by CALuminium;
- (b) negative pledge by a subsidiary company, Advance Eagle Marketing Sdn. Bhd.; and
- (c) corporate guarantee by the Company.

The interest rates, securities and terms of repayment of term loans are disclosed in note 20 to the financial statements.

## 18. SHARE CAPITAL

	GROUP/ COMPANY 2002 RM
Ordinary shares of RM1/- each	
Authorised:	
At beginning of the year	500,000
Created during the year	99,500,000
At end of the year	<u>100,000,000</u>
Issued and fully paid:	
At beginning of the year	300,000
Issued for acquisition of subsidiary companies	29,365,000
Special issue to Bumiputera	5,185,000
Public issue	6,150,000
At end of the year	<u>41,000,000</u>

The new ordinary shares issued during the financial year rank pari passu in all respect with the existing shares.

## 19. RESERVES

	GROUP 2002 RM	COMPANY 2002 RM	2001 RM
DISTRIBUTABLE			
Retained profits/(Accumulated losses)	8,447,319	2,398,233	(11,762)
NON-DISTRIBUTABLE			
Share premium (note 30)	13,378,474	13,378,474	-
Reserve on consolidation (note 28(i))	4,874,776	-	-
	<u>18,253,250</u>	<u>13,378,474</u>	<u>-</u>
	<u>26,700,569</u>	<u>15,776,707</u>	<u>(11,762)</u>
Profit Retained By:-			
The Company	2,398,233		
Subsidiary companies	6,049,086		
	<u>8,447,319</u>		

## 20. TERM LOANS - SECURED

	GROUP 2002 RM
Term Loan I	
Repayable by 120 equal monthly instalments commenced in September, 1999 and bears interest rate at 8.15% per annum	649,120
Term Loan II	
Repayable by 120 equal monthly instalments commenced in September, 1999 and bears interest rate at 7.65% per annum	89,243
Term Loan III	
Repayable by 84 equal monthly instalments commenced in September, 1999 and bears interest rate at 8.15% per annum	527,028
Term Loan IV	
Repayable by 84 equal monthly instalments commenced in March, 1999 and bears interest rate at 8.40% per annum	1,002,243
Term Loan V	
Repayable by 84 equal monthly instalments commenced in March, 1999 and bears interest rate at 6.5% per annum	33,688
Term Loan VI	
Repayable by 96 equal monthly instalments commenced in November, 2000 and bears interest rate at 7.9% per annum	320,203
	<hr/>
	2,621,525
Repayable within 12 months (note 17)	<hr/> (742,060)
Repayable after 12 months	<hr/> <hr/> 1,879,465

The securities for term loans I to IV of a subsidiary company, Central Aluminium Manufactory Sdn. Bhd. ("CALuminium") are as follows:-

(a) Specific securities

- (i) fixed charge and debenture for RM1,200,000/- on a piece of freehold land of CALuminium for term loan I;
- (ii) fixed charge and debenture for RM145,000/- on landed property of CALuminium for term loan II;
- (iii) fixed charge and debenture for RM1,200,000/- on landed property of CALuminium for term loan III;
- (iv) private caveat on a piece of freehold land of CALuminium for term loan III; and
- (v) facility agreement for term loan IV.

(b) Common securities

- (i) debentures totalling RM10,450,000/- comprising fixed and floating charges over all assets of CALuminium;
- (ii) corporate guarantee by the Company; and
- (iii) joint and several guarantees by certain directors of the Company namely Mr. Lee Chin Yen and Mr. Tan Hong Cheng.

The securities for term loans V and VI of a subsidiary company, Central Melamineware Sdn. Bhd. ("CMelamine") are as follows:-

(a) Specific security

(b) Common securities

- (i) corporate guarantee by the Company; and
- (ii) negative pledge by CMelamine.

Facility agreement and first legal charge for RM400,000/- over CMelamine's freehold land for term loan VI.

**21. DEFERRED TAXATION**

	GROUP 2002 RM
In respect of subsidiary companies acquired	2,274,000
Transfer to income statement (note 25)	166,000
At end of the year	<u>2,440,000</u>

This is in respect of estimated tax liabilities/(benefits) arising from the following timing differences:-

	GROUP 2002 RM
Capital and industrial building allowances claimed on property, plant and equipment in excess of their depreciation charge	2,668,000
Allowance for doubtful trade debts	(14,000)
Unrealised loss on foreign exchange	(2,000)
Unrealised profits on inventories	(212,000)
Net deferred taxation liabilities provided for	<u>2,440,000</u>

There were no deferred tax liabilities or benefits which have not been provided for in the financial statements.

## 22. OPERATING REVENUE

	GROUP	COMPANY	
	2002 RM	2002 RM	2001 RM
Dividend revenue	-	3,370,053	-
Sales of goods	49,847,944	-	-
	<u>49,847,944</u>	<u>3,370,053</u>	<u>-</u>

## 23. COST OF SALES

This is in respect of cost directly attributable to the sales of goods.

## 24. PROFIT/(LOSS) BEFORE TAXATION

(a) Profit/(Loss) before taxation is arrived at after charging/(crediting):-

	GROUP	COMPANY	
	Year ended 31.12.02 RM	Year ended 31.12.02 RM	Period from 22.12.00 to 31.12.01 RM
Allowance for doubtful debts	52,526	-	-
Auditors' remuneration			
-current year	55,800	4,800	1,000
-overprovision in prior year	(1,500)	-	-
Bad debts written off	87,740	-	-
Depreciation of property, plant and equipment	3,555,044	-	-
Directors' remuneration			
-fee	82,000	82,000	-
-other emoluments	573,488	-	-
Hiring of equipment	1,840	-	-
Interest expenses			
-term loans	246,593	-	-
-bank overdrafts	194,514	-	-
-lease	229	-	-
-bankers' acceptance	555,801	-	-
Net loss on foreign exchange			
-realised	44,560	-	-
-unrealised	8,528	-	-
Property, plant and equipment written off	3,343	-	-
Rental of premises	310,416	-	-
Sundry deposits written off	6,625	-	-
Gain on disposal of property, plant and equipment	(1,824,427)	-	-
Interest revenue	<u>(207,095)</u>	<u>(163,935)</u>	<u>-</u>

The estimated monetary value of the benefits provided to certain directors of the Company during the year by way of usage of Group's property, plant and equipment amounted to RM46,750/-.

(b) Employees Information

	GROUP	COMPANY	
	2002 RM	2002 RM	2001 RM
Staff costs	<u>10,071,846</u>	<u>-</u>	<u>-</u>

The number of employees including full-time directors of the Group and of the Company as at the financial year end were 793 and Nil (2001 : Nil) respectively.

**25. TAXATION**

	GROUP	COMPANY	
	2002 RM	2002 RM	2001 RM
Based on results for the year	1,802,585	980,000	-
Transfer to deferred taxation (note 21)	<u>166,000</u>	<u>-</u>	<u>-</u>
	<u>1,968,585</u>	<u>980,000</u>	<u>-</u>

The effective tax rate applicable to the Group was lower than the statutory tax rate mainly due to the availability of reinvestment allowances claimed under Schedule 7A of the Income Tax Act, 1967 and that certain profits on disposal of property, plant and equipment are not taxable.

The effective tax rate applicable to the Company was higher than the statutory tax rate mainly due to certain expenses were disallowed for tax purposes.

Subject to agreement by the Inland Revenue Board:-

- (i) the Group has estimated unabsorbed reinvestment allowances of RM3,640,000/-carried forward, available for set off against future taxable profits; and
- (ii) the Company has tax credit of approximately of RM19,200/- (2001 : Nil) and potential tax credit arising from dividends receivable from subsidiary companies of RM943,600/- (2001 : Nil) under Section 108 of the Income Tax Act, 1967, to frank future payment of dividends of approximately RM2,476,000/- (2001 : Nil) without incurring additional tax liability.

**26. EARNINGS PER ORDINARY SHARE**

Basic earnings per ordinary share is calculated by dividing the Group's profit attributable to shareholders of RM8,459,081/- by the weighted average number of ordinary shares in issue during the year of 38,747,164 ordinary shares of RM1/- each.

## 27. DIVIDEND

At the forthcoming annual general meeting, a final dividend of 8% per share less 28% tax amounting to RM2,361,600/- will be proposed for shareholders' approval.

## 28. ACQUISITION OF SUBSIDIARY COMPANIES

On 7th January, 2002, the Company acquired the entire equity interest in Central Aluminium Manufactory Sdn. Bhd. ("CALuminium") and the remaining 7.35% equity interest in Central Melamineware Sdn. Bhd. ("CMelamine") not already held by the Group for a total purchase consideration of RM40,034,800/- satisfied by 29,365,000 new ordinary shares of RM1/- each of the Company.

On 14th January, 2002, the Company acquired from CALuminium its entire equity interest in Advance Eagle Marketing Sdn. Bhd. and 92.65% equity interest in CMelamine for a total cash consideration of RM6,648,660/-.

(i) The fair values of the identifiable assets and liabilities of the subsidiary companies at the effective date of their acquisition are as follows:-

	GROUP 2002 RM
Property, plant and equipment	34,424,669
Other investments	95,888
Inventories	17,678,079
Trade receivables	13,942,545
Other receivables, deposits and prepayments	1,400,285
Tax assets	593,618
Fixed deposits with licensed banks	1,313,327
Cash and bank balances	1,811,316
Trade payables	(2,041,150)
Other payables and accruals	(4,034,144)
Amount owing to directors	(25,922)
Lease obligation	(14,705)
Bank overdrafts	(1,872,826)
Bankers' acceptance	(12,132,000)
Term loans	(3,470,978)
Tax liabilities	(484,426)
Deferred taxation	(2,274,000)
Total net assets	44,909,576
Reserve on consolidation (note 19)	(4,874,776)
Total purchase considerations	40,034,800
Less: Discharged by issuance of the Company's shares	(40,034,800)
Purchase consideration payable by cash	-
Cash and cash equivalents of subsidiary companies acquired	(1,251,817)
Cash flows on acquisition, net of cash and cash equivalents acquired	(1,251,817)

(ii) The results of the subsidiary companies incorporated into the consolidated results of the Group for the current period commencing from their effective date of acquisition are as follows:-

	GROUP 2002 RM
Operating revenue	49,847,944
Direct operating costs	(35,469,692)
Gross profit	14,378,252
Other operating revenue	3,130,574
Distribution costs	(3,603,587)
Administrative costs	(2,144,972)
Other operating costs	(239,834)
	(5,988,393)
Profit from operations	11,520,433
Finance costs	(1,112,709)
Profit before taxation	10,407,724
Taxation	(1,932,200)
Profit attributable to shareholders	8,475,524

(iii) Effects of acquisition of subsidiary companies on Group's balance sheet as at year end are as follows:-

	GROUP 2002 RM
Property, plant and equipment	39,476,661
Other investments	95,888
Inventories	25,611,612
Trade receivables	15,094,090
Other receivables, deposits and prepayments	3,655,277
Tax assets	593,618
Fixed deposits with licensed banks	879,461
Cash and bank balances	1,681,628
Trade payables	(1,628,218)
Other payables and accruals	(2,286,747)
Bank borrowings	(16,242,525)
Bank overdrafts	(1,276,554)
Tax liabilities	(534,873)
Deferred taxation	(2,440,000)
	62,679,318



## 29. CASH AND CASH EQUIVALENTS

	GROUP 2002 RM	COMPANY 2002 RM	2001 RM
Cash and bank balances	1,776,328	94,700	155,252
Fixed deposits with licensed banks (note 12)	5,901,600	5,022,139	-
Bank overdrafts	(1,276,554)	-	-
	<u>6,401,374</u>	<u>5,116,839</u>	<u>155,252</u>

The fixed deposits of the Group amounted to RM862,608/- are not freely available for the Group's use as they have been pledged for banking facilities of the Group. These fixed deposits can only be utilised to repay the banking facilities involved.

## 30. SHARE PREMIUM

	GROUP/ COMPANY 2002 RM
In respect of share premium arising from issue of shares pursuant to:-	
Acquisition of subsidiary companies	10,669,800
Special issue to Bumiputera	1,970,300
Public issue	2,337,000
	<u>14,977,100</u>
Less: Listing expenses written off (note 6)	<u>(1,598,626)</u>
At end of the year (note 19)	<u>13,378,474</u>

## 31. CONTINGENT LIABILITIES - UNSECURED

### GROUP

- (i) A land owner had obtained a court order for a right of carriage way through the portion of land owned by a subsidiary company, Central Aluminium Manufactory Sdn. Bhd. ("CALuminium") and to restraint CALuminium from closing or blocking the said carriage way. CALuminium has filed an appeal against the court's decision.

No provision has been made in the financial statements in respect of any possible costs which may arise from the legal proceedings as the amount and timing of payment of the claim, if any, are unable to be ascertained pending the outcome of the hearing.

- (ii) The tax liability of a subsidiary company, Central Melamineware Sdn. Bhd. ("CMelamine"), was underprovided by approximately RM180,000/- due to reinvestment allowance claimed by CMelamine for its qualified capital expenditure incurred in the financial year ended 31st December, 1997 of which the Inland Revenue Board ("IRB") did not take into account when arriving at the tax assessment for that financial year. CMelamine has filed an appeal to the IRB on this matter and is currently pending reply from the IRB. The Directors are of the opinion that the outcome of the appeal will be favourable to CMelamine and therefore no provision for the said amount is required.

(iii) A trade creditor has made a legal claim against a subsidiary company, Advance Eagle Marketing Sdn. Bhd. ("AEM"), for overdue interest charges amounted to RM594,944/- together with interest and legal proceedings' costs.

No provision has been made for the claim in the financial statements as a reliable estimate of the final amount and timing of payment of the claim are unable to be ascertained pending the outcome of the legal proceedings and the Directors are of the opinion that AEM has an arguable defence against the claim.

(iv) The tax liability of a subsidiary company, AEM, was underprovided by RM57,756/- due to taxation on specific allowance for doubtful debts incurred in the financial year ended 31st December, 1997, which has not been taken into account by the IRB in arriving at the tax assessment for that financial year. AEM has filed an appeal to the IRB on this matter and is currently pending reply from the IRB. The Directors are of the opinion that the outcome of the appeal will be favourable to AEM and therefore no provision for the said amount is required.

## COMPANY

	2002 RM	2001 RM
In respect of corporate guarantee by the Company for credit facilities granted to subsidiary companies by licensed banks:-		
Central Aluminium Manufactory Sdn. Bhd.	5,134,243	-
Central Melamineware Sdn. Bhd.	2,563,861	-
Advance Eagle Marketing Sdn. Bhd.	58,000	-
	7,756,104	-
	7,756,104	-

## 32. CAPITAL COMMITMENT

	GROUP 2002 RM
In respect of capital expenditure contracted for	
- factory expansion	449,034
In respect of capital expenditure approved but not contracted for	
- factory expansion	3,800,865
- purchase of machinery and equipment	603,000
- new factory building	1,000,000
	5,403,865
	5,852,899

### 33. SIGNIFICANT RELATED PARTIES TRANSACTIONS

(a) Significant inter-company transactions of the Company for the year are as follow:-

	COMPANY 2002 RM
Dividend receivable from subsidiary companies	
- Central Aluminium Manufactory Sdn. Bhd. ("CALuminium")	1,753,036
- Central Melamineware Sdn. Bhd. ("CMelamine")	1,617,017
Acquisition of 100% equity interest in Advance Eagle Marketing Sdn. Bhd. from CALuminium	1,307,950
Acquisition of 92.65% equity interest in CMelamine from CALuminium	<u>5,340,710</u>

The above transactions are entered in the ordinary course of business at terms mutually agreed between the companies.

(b) Directors' Remuneration

Paid and payable to the following directors:-

	GROUP 2002 RM	2002 RM	COMPANY 2001 RM
Directors' fee			
Lee Chin Yen	10,000	10,000	-
Tan Hong Cheng	10,000	10,000	-
Hia Wan Kiga	10,000	10,000	-
Lee Poh Choo	10,000	10,000	-
Tan Kim Hong	10,000	10,000	-
Chai Moi Kim	12,000	12,000	-
Chia Kay Joo	10,000	10,000	-
Azizul Mohd Othman	10,000	10,000	-
	<u>82,000</u>	<u>82,000</u>	<u>-</u>

Other emoluments consist of salary, bonus, employees' provident fund and allowances

Lee Chin Yen	201,827
Tan Hong Cheng	201,827
Hia Wan Kiga	46,575
Lee Poh Choo	72,445
Tan Kim Hong	50,814
	<u>573,488</u>

Benefit-in-kind

	GROUP 2002 RM
- estimated monetary value for usage of Group's property, plant and equipment	
Lee Chin Yen	20,841
Tan Hong Cheng	17,517
Lee Poh Choo	4,417
Tan Kim Hong	3,975
	<u>46,750</u>

(c) Significant transactions with other related parties are as follows:-

	GROUP 2002 RM
<b>Trade</b>	
Received and receivable from a company in which Mr. Khor Mooi Soong, a brother-in-law of Mr. Tan Hong Cheng, has substantial financial interest and is also directors:-	
Caelygirl (M) Sdn. Bhd.	
- Sales	(179,433)
Paid to a company in which Messrs. Khor Mooi Soong and Khor Mooi Huat, the brother-in-law of Mr. Tan Hong Cheng, have substantial financial interest and are also directors:-	
Rubysteel Metal Industry (M) Sdn. Bhd.	
- Purchases	89,635
<b>Non-Trade</b>	
Paid and payable to an enterprise in which a director of the Company, Mr. Hia Wan Kiga, is the proprietor:-	
Union Engineering Works	
- Upkeep of plant and machinery	15,023
Paid to a substantial shareholder of the Company:-	
S.S. Luxware (M) Sdn. Bhd.	
- Rental of premises	<u>137,499</u>

The above transactions are entered in the ordinary course of business and are based on terms not materially different from transactions with external parties.

### 34. UNUTILISED BANK OVERDRAFT FACILITY - UNSECURED

The subsidiary company, Advance Eagle Marketing Sdn. Bhd. ("AEM"), has a bank overdraft facility of RM800,000/- granted by a licensed bank at interest rate of 1.25% above the bank's prevailing base lending rate and is supported by corporate guarantee by the Company and negative pledge by AEM. As at year end, the above mentioned facility has not been utilised by AEM.

### 35. SEGMENT ANALYSIS

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segment, is based on the nature of business activities.

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 corporate assets, liabilities and expenses.

Segment assets and liabilities do not include tax assets and tax liabilities respectively.

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

#### (a) MAJOR SEGMENT BY ACTIVITY

	INVESTMENT HOLDING RM	MANUFAC- TURING RM	TRADING RM	ELIMINATIONS RM	CONSOLIDATED RM
<b>2002</b>					
<b>SEGMENT REVENUE</b>					
External revenue	-	30,913,599	18,934,345	-	49,847,944
Inter-segment revenue	3,370,053	17,310,529	1,902,351	(22,582,933)	-
Total revenue	3,370,053	48,224,128	20,836,696	(22,582,933)	49,847,944
<b>SEGMENT RESULTS</b>					
Segment result	3,226,060	14,405,562	1,242,719	(7,656,633)	11,217,708
Operating profit					11,217,708
Interest revenue					207,095
Interest expense					(997,137)
Taxation					(1,968,585)
Profit from ordinary activities					8,459,081

	INVESTMENT HOLDING RM	MANUFAC- TURING RM	TRADING RM	ELIMINATIONS RM	CONSOLIDATED RM
<b>2002</b>					
<b>OTHER INFORMATION</b>					
<b>SEGMENT ASSETS</b>					
Segment assets	51,851,306	77,736,725	11,331,041	(55,303,954)	85,615,118
Other investments					95,888
Fixed deposits with licensed banks					5,901,600
Tax assets					593,618
					<u>92,206,224</u>
<b>SEGMENT LIABILITIES</b>					
Segment liabilities	79,553	11,153,082	7,992,529	(15,230,646)	3,994,518
Interest bearing liabilities					17,519,079
Tax liabilities					552,058
Deferred taxation					2,440,000
Consolidated total liabilities					<u>24,505,655</u>
<b>CAPITAL EXPENDITURE</b>	-	8,589,286	43,960		8,633,246
<b>DEPRECIATION</b>	-	3,482,381	72,663		3,555,044
<b>SIGNIFICANT NON-CASH EXPENSES OTHER THAN DEPRECIATION</b>					
Allowance for doubtful debts	-	28,559	23,967		52,526
Sundry deposits written off	-	-	6,625		6,625
Bad debt written off		32,753	54,987		87,740
Gain on disposal of property, plant and equipment	-	(1,824,427)	-		(1,824,427)

Inter-segment revenue of investment holding segment comprises dividend revenue. All other inter-segment revenue comprises sales revenue which are priced at cost plus a percentage profit mark-up.

**(b) MAJOR SEGMENT BY GEOGRAPHICAL LOCATION**

As the Group operates within one geographical segment, geographical segment analysis is not applicable.

### 36. SIGNIFICANT EVENTS

During the financial year, the following events pursuant to the restructuring and listing exercise undertaken by the Company were implemented:-

- (i) On 5th January, 2002, the Company increased its authorised share capital from RM500,000/- to RM100,000,000/- by the creation of 99,500,000 ordinary shares of RM1/- each which rank pari passu in all respects with the existing ordinary shares.
- (ii) On 7th January, 2002, the Company acquired the entire issued and paid-up share capital of Central Aluminium Manufactory Sdn. Bhd. ("CALuminium") comprising 3,022,475 ordinary shares of RM1/- each for a purchase consideration of RM39,611,117/- satisfied by the issuance of 29,097,000 new ordinary shares of RM1/- each in the Company at an issue price of approximately RM1.36/- per new ordinary share.
- (iii) On 7th January, 2002, the Company acquired the remaining 36,002 ordinary shares of RM1/- each of Central Melamineware Sdn. Bhd. ("CMelamine") not already held by CALuminium representing 7.35% equity interest in CMelamine for a purchase consideration of RM423,683/- satisfied by the issuance of 268,000 new ordinary shares of RM1/- each in the Company at an issue price of approximately RM1.58 per new ordinary share.
- (iv) On 14th January, 2002, the Company acquired from CALuminium the entire investment in the subsidiaries of CALuminium, namely 100% equity interest in Advance Eagle Marketing Sdn. Bhd. and 92.65% equity interest in CMelamine, for cash considerations of RM1,307,950/- and RM5,340,710/- respectively.
- (v) On 30th January, 2002, the Company issued a prospectus for the special issue of 5,185,000 new ordinary shares of RM1/- each in the Company and proposed restricted offer for sale of 7,115,000 ordinary shares of RM1/- each of the Company by the existing shareholders to Bumiputera investors approved by the Ministry of International Trade and Industry at an issue/offer price of RM1.38/-per ordinary share and the public issue of 6,150,000 new ordinary shares of RM1/- each in the Company at an issue price of RM1.38/- per new ordinary share.
- (vi) On 14th March, 2002, the Company's entire enlarged issued and paid-up share capital comprising 41,000,000 ordinary shares of RM1/- each were listed on the Second Board of the Kuala Lumpur Stock Exchange.

### 37. COMPARATIVE FIGURES

No comparative figures for the Group are stated as this is the first financial statements of the Group.

The comparative figures of the Company are for the period from 20th December, 2000 (date of incorporation) to 31st December, 2001.

## 38. FINANCIAL INSTRUMENTS

### (a) Financial Risk Management Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The main risks and corresponding management policies arising from the Group's normal course of business are as follow:-

#### (i) Foreign Exchange Risk

The Group is exposed to foreign currency risk as a result of its normal trade activities when the currency denomination differs from its functional currency.

The Group maintains a natural hedge, whenever possible, by depositing foreign currency proceeds from sales into foreign currency bank account which will primarily be used for payment of purchases in the same denomination. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The net unhedged financial assets and financial liabilities of the Group as at 31st December, 2002 that are not denominated in their functional currencies are as follows:-

	NEW TAIWAN DOLLAR RM	BRUNEI DOLLAR RM	SINGAPORE RM	UNITED STATES DOLLAR RM	SRI LANKA RUPEE RM	TOTAL RM
<b>TRADE RECEIVABLES</b>						
Ringgit Malaysia	-	240,462	768,424	276,830	-	1,285,716
<b>TRADE PAYABLES</b>						
Ringgit Malaysia	253,999	-	-	-	-	253,999
<b>CASH IN HAND AND AT BANKS</b>						
Ringgit Malaysia	-	-	11,397	252,126	153	263,676

#### (ii) Interest Rate Risk

The Group's exposure to interest rate risk relates to interest bearing financial assets and liabilities which include fixed deposits, loans, bankers' acceptances and overdraft facilities.

- interest bearing financial assets

Fixed deposits with licensed banks are not held for speculative purposes but, as mentioned in note 12 to the financial statements, are placed to satisfy conditions for bank guarantee and borrowing facilities granted to the Group and for better yield returns than cash at banks.



The Group manages its interest rate yield by prudently balances the placement of deposits with varying maturity periods.

- interest bearing financial liabilities

Interest bearing financial liabilities include term loans, bankers' acceptance and bank overdraft facilities.

The Group manages its interest rate exposure by maintaining a prudent mix of long term and short term borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and the nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The effective interest rates at 31st December, 2002 and the periods in which the interest bearing financial assets and liabilities reprice or mature, whichever is earlier, are as follows:-

	Effective Interest Rate %	Total RM	Within 1 Year RM	1 - 5 Years RM	After 5 Years RM
<b>Group</b>					
Financial Assets					
Fixed deposits with licensed banks	2.6 to 4.0	5,901,600	5,901,600	-	-
Financial Liabilities					
Short term borrowings					
Bank overdrafts	7.65 to 8.20	1,276,554	1,276,554	-	-
Bankers' acceptances	2.83 to 4.76	13,621,000	13,621,000	-	-
Term loans	6.50 to 8.44	2,621,525	742,060	1,815,745	63,720
<b>Company</b>					
Financial Assets					
Fixed deposits with licensed banks	2.6 to 3.2	5,022,139	5,022,139	-	-

(iii) Market Risk

The Group's principal exposure to market risk arises from the quoted investments held for long term purposes. As the amount held is not significant, exposure to market risk is minimal.

(iv) Credit Risk

The Group's exposure to credit risk arises from its receivables and the maximum risk associated with recognised financial assets is the carrying amounts as presented in the balance sheet.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

(v) Liquidity and Cash Flow Risks

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position and prudently balances its portfolio with some short term financing so as to achieve overall cost effectiveness.

(b) Fair Values

The methods and assumptions used to estimate the fair values of each class of financial instruments are as follows:-

(i) Fixed Deposits, Cash In Hand and Bank Balances

The carrying amounts of fixed deposits, cash in hand and bank balances approximate their fair values due to the relatively short term maturity and flexibility of withdrawals of these financial assets.

(ii) Quoted Investments

The fair values of quoted shares are determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

(iii) Trade and Other Receivables and Payables

The carrying amounts of trade receivables and payables approximate their fair value as the amounts have factored in the normal credit terms. The carrying amounts of other receivables and payables are reasonable estimates of fair values because of their short maturity.

(v) Amount Owing by Subsidiary Companies

The carrying amounts of amount owing by subsidiary companies approximate their fair values due to the relatively short term maturity of these financial assets.

(v) Borrowings

The carrying amounts of bank overdrafts, short term loans and bankers' acceptance approximate their fair value due to the relatively short term maturity of these financial liabilities.

The fair value of long term loans is estimated using discounted cash flow analysis, based on prevailing interest rates for loans with similar terms and characteristics.

The carrying amounts of financial instruments recognised in the financial statements approximate their fair values due to their relatively short term maturities except for the following:-

	Note	Carrying Amount RM	Fair Value RM
GROUP			
Financial Assets			
Other investment	5	17,000	* -
Investment in quoted shares	5	78,888	**16,987
		<u>95,888</u>	<u>16,987</u>
Financial Liabilities			
Term loans	20	<u>2,621,525</u>	<u>2,632,424</u>

\* It is not practical to estimate the fair value of the other investment because of the lack of quoted market prices and inability to estimate fair value without incurring excessive costs.

\*\* The carrying value of investment in quoted shares are higher than their fair value. No allowance for diminution in value has been made to reduce the carrying amount to their fair value as these investments are intended to be held for long term and that the amounts involved are not material.

The nominal/notional amounts and fair value of financial instruments not recognised in the balance sheets are as follows:-

	Note	Nominal/ Notional Amounts RM	Fair Value RM
GROUP			
Contingent liabilities arising from the following legal suits:-			
(i) Right of carriage way	31(i)	* -	# -
(ii) Claim for overdue interest charges	31(iii)	<u>594,944</u>	<u># -</u>
COMPANY			
Contingent liabilities in respect of corporate guarantee by the Company for credit facilities granted to subsidiary companies	31	<u>7,756,104</u>	<u>7,766,897</u>

\* Unable to ascertain the nominal/notional amount as no monetary claimed was made by the plaintiff other than the legal costs involved.

# It is not practicable to estimate the fair value of the contingent liabilities reliably due to uncertainties of timing, costs and eventual outcome.

# ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2003

Authorised Share Capital	:	RM100,000,000
Issued and Paid-up Share Capital	:	RM 41,000,000
Class of Shares	:	Ordinary Share of RM1.00
Voting Rights	:	1 vote per ordinary share
Number of Shareholders	:	1,903

## SUBSTANTIAL SHAREHOLDERS

The following are the substantial shareholders of the Company according to the Register of Substantial Shareholders.

Name of Shareholders	Direct Interest		Indirect Interest	
	No of Shares	%	No of Shares	%
Lee Chin Yen	10,108,000	24.65	-	-
Tan Hong Cheng	9,087,000	22.16	-	-
Hia Wan Kiga	3,492,000	8.52	-	-

## DIRECTORS' SHAREHOLDINGS

Name of Shareholders	Direct Interest		Indirect Interest	
	No of Shares	%	No of Shares	%
Lee Chin Yen	10,108,000	24.65	-	-
Tan Hong Cheng	9,087,000	22.16	-	-
Hia Wan Kiga	3,492,000	8.52	-	-
Lee Poh Choo	-	-	-	-
Tan Kim Hong	-	-	-	-
Chai Moi Kim	-	-	-	-
Chia Kay Joo	-	-	-	-
Azizul Mohd Othman	-	-	-	-

## DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No of Holders	Total Holdings	%
Less than 100	-	-	-
100 to 1,000	713	713,000	1.74
1,001 to 10,000	982	3,961,000	9.66
10,001 to 100,000	184	5,227,000	12.75
100,001 - 2,049,999	20	10,138,310	24.73
2,050,000 and above	4	20,960,690	51.12
	1,903	41,000,000	100.00

## THIRTY LARGEST SHAREHOLDERS

AS AT 31 MARCH 2003

	Name of Shareholders	No of Shares	%
1	Lee Chin Yen	8,381,690	20.44
2	Tan Hong Cheng	6,386,602	15.58
3	Hia Wan Kiga	3,492,000	8.52
4	RC Nominees (Tempatan) Sdn Bhd (EON Finance Berhad for Tan Hong Cheng)	2,700,398	6.59
5	RC Nominees (Tempatan) Sdn Bhd (EON Finance Berhad for Lee Chin Yen)	1,726,310	4.21
6	CIMSEC Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tan Ooi Thiam)	1,492,000	3.64
7	S.S Luxware (M) Sdn Bhd	1,418,000	3.45
8	Tan Lee Leng	948,000	2.31
9	Tan Lee Cheng	734,000	1.79
10	Yeap Gim Sin	584,000	1.42
11	Amsec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Hamzah Bin Mohd Noor)	518,000	1.26
12	Lim Mau	419,000	1.02
13	Chew Pay Chiam	414,000	1.01
14	EB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Fazrin Azwar Bin Md Nor)	280,000	0.68
15	Amir Sharifuddin Bin Ayub	280,000	0.68
16	Teh Choong Weng	262,000	0.64
17	Gan Surt Neo	185,000	0.45
18	Amsec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Soh Cheong Fatt)	136,000	0.33
19	Hong Leong Finance Berhad (Pledged Securities Account for Ng Peng Hon)	123,000	0.30
20	Hooi Mun Shin	120,000	0.29
21	Chia Hui Sia	120,000	0.29
22	Chan Wai Leong	120,000	0.29
23	Tan Chen Hock	102,000	0.25
24	Kamarudin Bin Hj Hassan	100,000	0.24
25	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Tiong Kiong Choon)	100,000	0.24
26	Chok Vi Meng @ Cheok Vi Ming	100,000	0.24
27	Abdul Halim Bin Othman	100,000	0.24
28	Ke-Zan Nominees (Tempatan) Sdn Bhd (Kim Eng Ong Asia Securities Pte Ltd for Thong Sin Credit Sdn Bhd)	99,000	0.24
29	Hong Leong Finance Berhad (Pledged Securities Account for Lim Poh Boon)	90,000	0.22
30	Tan Pak Nang	85,000	0.21
	Total	31,616,000	77.11

# LIST OF PROPERTIES

AS AT 31 DECEMBER 2002

Registered /Beneficial Owner/Title and Location/Share owned	Description/ existing use	Tenure/ age of building	Land area/ built-up area sq.ft.	Net book value@ 31.12.02 RM
<b>CA</b> Aluminium				
GM 612 Lot 48 Mukim Hutan Melintang (3/4 share)	Vacant land	Freehold/ -	143,748/ -	198,000
GM 624 Lot 3516 Mukim Hutan Melintang (1/10 share)	Vacant land Quarter	Freehold/ 7 years	281,506/ 11,664	55,000/ 46,459
HS(D) LP 15142 PT. 20041, Mukim Durien Sebatang	Vacant land	Freehold/ -	1,308,020/ -	1,441,000
GM 550 Lot 889 Mukim Changkat Jong	Vacant land	Freehold/ -	72,658/ -	70,000
GM 544A Lot 51 Mikim Hutan Melintang	Factory land/Factory	Freehold/ 5 years	155,455/ 70,152	643,000/ 4,069,310
GM 846 Lot 49, GM 875 Lot 2486, Mukim Hutan Melintang	Factory land/Factory and office	Freehold/ 19 years	278,784/ 141,165	1,075,000/ 6,466,071
LP 10670, PT 3257, Mukim Hutan Melintang	Double Storey House	Freehold/ 6 years	3,062/ 1,812	46,000/ 92,033
				14,201,873
<b>CM</b> Melamine				
Geran no.3843 Lot no.5298 Mukim Hutan Melintang	Vacant land	Freehold/ -	224,062/ -	537,131
Geran no.3844 Lot no.5299 Mukim Hutan Melintang	Vacant land	Freehold/ -	324,250/ -	772,075
Railway Wharf, Jalan Maharaja Lela 36500	-	Factory building/ Warehouse 3 years	16,000	55,982
				1,365,188



# CAM RESOURCES BERHAD (535311-D)

(Incorporated in Malaysia)

I / We, \_\_\_\_\_ NRIC No. \_\_\_\_\_  
Full Name In Capital Letters

of \_\_\_\_\_  
Address

being a member/members of **CAM RESOURCES BERHAD**

hereby appoint \_\_\_\_\_ NRIC No. \_\_\_\_\_  
Full Name In Capital Letters

of \_\_\_\_\_  
Address

or failing him/her, \_\_\_\_\_  
Full Name In Capital Letters

of \_\_\_\_\_  
Address

as\* my/our proxy to vote for\* me/us on\* my/our behalf at the Second Annual General Meeting of CAM Resources Berhad to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 23 May 2003 at 10.00 am and at any adjournment thereof.

The proportion of \*my/our holding to be represented by \*my/our proxies are as follows :-  
(The next paragraph should be completed only when two proxies are appointed)

\* First Proxy (1).....%

\* Second Proxy (2).....%

Number of Shares held :

No .	Resolution	For	Against
1	To receive the Audited Financial Statements for the financial year ended 31 December 2002 together with the Report of the Directors and Auditors thereof		
2	To approve the payment of a first and final dividend of 8% less 28% tax for the financial year ended 31 December 2002		
3	To approve the Directors Fees for the financial year ended 31 December 2002		
4	To re-elect Mr. Lee Chin Yen as Director		
5	To re-elect Mr. Tan Hong Cheng as Director		
6	To re-elect Mr. Hia Wan Kiga as Director		
7	To re-appoint Messrs Moore Stephens as Auditors and to authorise the Directors to fix their remuneration		

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2003

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

### NOTES :

- (1) 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 to the Company.
- (2) To be valid, this form, duly completed must be deposited at the Company's Registrar, PFA Registration Services Sdn Bhd, Level 13, Uptown 1, No 1, Jalan SS21/58, Damansara Uptown, 47400 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting.
- (3) A member shall be entitled to appoint more than one(1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Companies Act, 1965 are complied with.
- (4) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (5) Where a member appoints more than one(1) proxy the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- (6) If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.

(\* Delete if not applicable)