

ANNUAL REPORT

Laporan Tahunan

2002



安裕資源有限公司

ANN JOO RESOURCES BERHAD

371152-U

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of the Company will be held at Hilton Petaling Jaya, Kristal Ballroom 2, 1st Floor, East Wing, No. 2 Jalan Barat, 46200 Petaling Jaya on Tuesday, 17 June, 2003 at 10.00 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December, 2002 and the Reports of Directors and Auditors thereon. (Resolution 1)
2. To declare a Final Dividend of 6% less 28% tax for the financial year ended 31 December, 2002. (Resolution 2)
3. To approve the payment of Directors' Fees amounting to RM215,000.00 for the financial year ended 31 December, 2002. (Resolution 3)
4. To re-elect the following Directors, who shall retire pursuant to Article 101 of the Company's Articles of Association:-
 - (a) Lim Seng Qwee (Resolution 4)
 - (b) Lim Sin Seong (Resolution 5)
 - (c) Datuk Haidar Ali Bin Haji Sheikh Fadzir (Resolution 6)
5. To re-elect Mr. Lim Hong Thye who shall retire pursuant to Article 108 of the Company's Articles of Association. (Resolution 7)
6. To consider and if thought fit, to pass the following resolution, with or without modifications, as an Ordinary Resolution of the Company:-

"**THAT**, the vacancy created by Mr. Lim Seng Chee's retirement pursuant to Section 129 of the Companies Act, 1965 and his not seeking re-election as Director of the Company, shall hereby not be filled pursuant to Article 103 of the Company's Articles of Association."

(Resolution 8)
7. To re-appoint Messrs Ong Boon Bah & Co., the retiring Auditors and to authorise the Directors to determine their remuneration. (Resolution 9)



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

SPECIAL BUSINESS

8. To consider and if thought fit, to pass the following resolutions, with or without modifications, as Ordinary Resolutions of the Company:-

AUTHORITY FOR ALLOTMENT OF SHARES

"THAT subject always to the Companies Act, 1965 and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares issued in any one financial year of the Company pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from the Kuala Lumpur Stock Exchange for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

(Resolution 10)

AUTHORITY TO PURCHASE THE COMPANY'S OWN SHARES

"THAT subject to the provisions under the Companies Act, 1965, the Companies Regulations 1966, the Memorandum and Articles of Association of the Company, the Listing Requirements of Kuala Lumpur Stock Exchange ("KLSE") and the approvals of all relevant and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each in the Company ("Proposed Shares Buy-Back") as may be determined by the Directors of the Company from time to time through KLSE upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company representing 25,211,500 ordinary shares of RM1.00 each as at 29 April, 2003 AND THAT the maximum funds to be allocated by the Company for the purpose of the Proposed Shares Buy-Back shall not exceed the Company's share premium account of RM54,136,704 and retained profits account of RM68,869,870 based on the audited financial statements of the Company for the financial year ended 31 December, 2002 AND THAT the ordinary shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and distributed as dividends or resold on the KLSE.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AND THAT such authority will be effective immediately upon the passing of this ordinary resolution and will, continue to be in force until:-

- (a) the conclusion of the next Annual General Meeting of the Company at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary (including the appointment of a stockbroking firms(s) and the opening and maintaining of a central depositories account(s) under the Security Industry (Central Depositories) Act, 1991) and entering into all other agreements, arrangements, and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities.

(Resolution 11)

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT, approval be and is hereby given pursuant to Paragraph 10.09 of the Listing Requirements of the Kuala Lumpur Stock Exchange for the Company and/or its subsidiary companies to enter into the categories of recurrent transactions of a revenue or trading nature with those Related Parties as specified in Section 2.1 of the Circular to Shareholders dated 26 May, 2003 provided that such transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations in the ordinary course of business made on an arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and

THAT such approval shall only continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within the next AGM of the Company after that date is required to be held pursuant to section 143(1) of the Companies Act, 1965 ("CA") (but shall not extend to such extension as may be allowed pursuant to section 143(2) of CA); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier."

(Resolution 12)

9. To transact any other business of which due notice shall have been given.



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

FURTHER NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the Seventh Annual General Meeting to be held on 17 June, 2003, the Final Dividend of 6% less tax of 28% for the financial year ended 31 December, 2002, will be paid on 30 June, 2003 to Depositors registered in the Record of Depositors on 20 June, 2003.

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

- a) Shares transferred into the depositor's securities account before 4.00 p.m. on 20 June, 2003 in respect of ordinary transfer; and
- b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

By Order of the Board

Yeoh Chong Keat (MIA No. 2736)
Mabel Tio Mei Peng (MAICSA No. 7009237)
Secretaries

Petaling Jaya
26 May, 2003

Notes:-

Proxy

- (i) A Member of the Company entitled to attend and vote at this Meeting is entitled to appoint proxy to attend and vote instead of him. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the 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.
- (ii) A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- (iii) The instrument appointing a proxy shall be in writing under the hand of appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- (iv) The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Wisma Ann Joo, Lot 19391, Bt 8½, Jalan Klang Lama, 46000 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

Explanatory notes on Special Business

The Ordinary Resolution No. 10 proposed under item 8, if passed, will give powers to the Directors to issue shares up to a maximum of ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority unless revoked or varied by the Company at a general meeting will expire at the next Annual General Meeting.

The Ordinary Resolution No. 11 proposed under item 8 if passed, will authorise the Company to purchase its own shares in accordance with Section 67A of the Companies Act, 1965. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 26 May, 2003 for more information.

The Ordinary Resolution No. 12 proposed under item 8, if passed, will authorise the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 26 May, 2003 for more information.



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

I. Directors standing for re-election at the Seventh Annual General Meeting of the Company

- (a) Pursuant to Article 101 of the Company's Articles of Association
(Retirement by rotation)

Lim Seng Qwee
Lim Sin Seong
Datuk Haidar Ali Bin Haji Sheikh Fadzir

- (b) Pursuant to Article 108 of the Company's Articles of Association

Lim Hong Thye

- Details of attendance at Board Meetings:

Director	No. of Meetings Attended
Lim Seng Qwee	4 out of 4
Lim Sin Seong	4 out of 4
Datuk Haidar Ali Bin Haji Sheikh Fadzir	3 out of 4
Lim Hong Thye	(Appointed w.e.f. 1.1.2003)

- Further details of Directors standing for re-election are set out on pages 7, 8, 9 and 11 of this Annual Report. The securities holdings of these directors are to be found on pages 90 and 91.

II. Place, date and time of the Seventh Annual General Meeting

Place	Date	Time
Hilton Petaling Jaya, Kristal Ballroom 2, 1st Floor, East Wing, No. 2, Jalan Barat, 46200 Petaling Jaya.	Tuesday, 17 June, 2003	10:00 a.m.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Lim Seng Chee
Executive Chairman

Lim Seng Qwee
Deputy Executive Chairman

Lim Kiam Lam
Group Managing Director

Lim Sin Seong
Executive Director

Toh Tuan Sun
Executive Director

Lim Hong Thye
Executive Director

Tan Sri Zulkifli Bin Mahmood
Independent Non-Executive Director

Dato' Ong Kim Hoay
Independent Non-Executive Director

Mohd Alkaf Bin Mohd Kahar
Independent Non-Executive Director

Datuk Haider Ali bin Haji Sheikh Fadzir
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Ong Kim Hoay
(Chairman)
(Independent Non-Executive Director)

Tan Sri Zulkifli Bin Mahmood
(Independent Non-Executive Director)

Mohd Alkaf Bin Mohd Kahar
(Independent Non-Executive Director)

Lim Kiam Lam
(Group Managing Director)

COMPANY SECRETARIES

Yeoh Chong Keat
(MIA No. 2736)

Mabel Tio Mei Peng
(MAICSA No. 7009237)

HEAD OFFICE & REGISTERED OFFICE

Wisma Ann Joo, Lot 19391
Batu 8½, Jalan Klang Lama
46000 Petaling Jaya
Telephone No: 03-7877 0028
Fax No: 03-7875 9354

PRINCIPAL BANKERS

Bumiputra-Commerce Bank Berhad
Alliance Bank Malaysia Berhad
RHB Bank Berhad
Southern Bank Berhad

AUDITORS

Ong Boon Bah & Co.

SHARE REGISTRAR

PFA Registration Services Sdn Bhd
13.01, Level 13, Uptown 1
No. 1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone No: 03-7725 4888
Fax No: 03-7722 2311

STOCK EXCHANGE LISTING

The Kuala Lumpur Stock Exchange
- Main Board



BOARD OF DIRECTORS' PROFILE

Lim Seng Chee

70 years of age - Malaysian

Executive Chairman. His involvement in the steel business dates back to the late 1940's, starting as a scrap metal dealer. Through his leadership, the business has developed over the past 50 years to gain recognition as one of the major stockist in the country. He has also initiated the Group's move into the manufacturing of steel products through investment in several companies, which presently are subsidiaries of the Group.

Appointed as Director of the Company on 11 September 1996 and as Executive Chairman on 12 September 1996 and also serves as Chairman of its Investment Committee. He was the Chairman of the Strategic Business Unit 2 and 3 Management Committee since its inception in 1996 and 2000 respectively until February 2003. Current directorship in a public company includes Malayawata Steel Berhad. Mr Lim Seng Chee is also actively involved as committee member of several trade associations and charitable organisations.

Attended all the four Board Meetings held for the financial year. Father of Mr Lim Kiam Lam, the Group Managing Director and brother of Mr Lim Seng Qwee, the Deputy Executive Chairman and Mr Lim Sin Seong, the Executive Director as well as uncle of Mr Lim Hong Thye, another Executive Director of the Company. No conflict of interest with the Company. No convictions for offences within the past 10 years.

Lim Seng Qwee

64 years of age - Malaysian

Deputy Executive Chairman. He is also the Executive Chairman of Ann Joo Metal Sdn Bhd. He has more than forty (40) years experience in the steel trading business and has contributed significantly to the growth and development of the trading business. He also sits on the board of several private limited companies.

Appointed as Director of the Company on 11 September 1996 and as Deputy Executive Chairman on 12 September 1996. He was the Chairman of the Strategic Business Unit 1 Management Committee since its inception in 1996 until February 2003.

Attended all the four Board Meetings held for the financial year. Father of Mr Lim Hong Thye, the Executive Director of the Company and brother of Executive Chairman, Mr Lim Seng Chee and Executive Director, Mr Lim Sin Seong, as well as uncle of Mr Lim Kiam Lam, the Group Managing Director of the Company. No conflict of interest with the Company. No convictions for offences within the past 10 years.



BOARD OF DIRECTORS' PROFILE (CONT'D)

Lim Kiam Lam

51 years of age - Malaysian

Group Managing Director. He is currently the Executive Chairman of Malayawata Steel Berhad. He has over thirty (30) years of hands on experience in the steel business. During his tenure as a key member of the senior management, the Group's business has grown and expanded rapidly. He is the Adviser of the Selangor & Federal Territory Metal Dealers Association and the Malaysia Hardware, Machinery & Building Materials Dealer Association. He is also the Deputy Chairman of the Commerce Committee of the Kuala Lumpur & Selangor Chinese Chamber of Commerce & Industry. Mr Lim Kiam Lam also sits on the board of various private companies.

Appointed as Director of the Company on 11 September 1996 and as Group Managing Director on 12 September 1996 and serves as a member of its Audit Committee and Investment Committee. He serves as a member of Strategic Business Unit (SBU) 1, 2 and 3 Management Committee since inception but with effect from February 2003, was appointed as Chairman of the 3 SBUs. He was also a member of the Option Committee since its inception in 1998 until February 2002. Current directorship in a public company includes Malayawata Steel Berhad.

Attended all the four Board Meetings held for the financial year. Son of Executive Chairman, Lim Seng Chee and nephew of Mr Lim Seng Qwee and Mr Lim Sin Seong, the Deputy Executive Chairman and Executive Director of the Company respectively as well as cousin to the Executive Director, Mr Lim Hong Thye. No conflict of interest with the Company. No convictions for offences within the past 10 years.

Lim Sin Seong

47 years of age - Malaysian

Executive Director. He is also the Managing Director of Ann Joo Metal Sdn Bhd. He has over twenty-five (25) years of involvement in the steel trading business. He is the Director responsible for the trading division of the Group. His embracing of modern management approaches was instrumental in the transformation of the company with adoption of modern logistic facilities and state-of-the-art computerised management system. He is currently the Head of Strategic Business Unit 1, the trading arm of the Company. He also sits on the board of several private limited companies.

Appointed as Director of the Company on 11 September 1996 and serves as a member on its Option Committee and Strategic Business Unit 1 Management Committee of the Company.

Attended all the four Board Meetings held for the financial year. Brother of Mr Lim Seng Chee and Mr Lim Seng Qwee, the Executive Chairman and Deputy Executive Chairman and uncle to Mr Lim Kiam Lam, the Group Managing Director of the Company as well as Mr Lim Hong Thye, the Executive Director of the Company. No conflict of interest with the Company. No convictions for offences within the past 10 years.



BOARD OF DIRECTORS' PROFILE (CONT'D)

Lim Hong Thye

28 years of age - Malaysian

Executive Director. He joined AJR in August 2000 and was under secondment to Malayawata Steel Berhad ("MYS") on 10 August 2000 where he currently holds the position as Senior Vice President, Finance & Investment. Prior to that, he was with the Assurance & Business Advisory Service unit of Price Waterhouse and PriceWaterhouseCoopers. He holds a Bachelor of Commerce (Accounting and Finance) from The University of Melbourne and is a Certified Practising Accountant (CPA) of Australian Society of CPAs. He also sits on the board of several private limited companies.

Appointed as Director of the Company on 1 January 2003 and serves as a member of Strategic Business Unit 1, 2 and 3 Management Committee of the Company with effect from February 2003.

Son of Deputy Executive Chairman, Lim Seng Qwee and nephew of Mr Lim Seng Chee and Mr Lim Sin Seong, the Executive Chairman and Executive Director of the Company respectively as well as cousin to the Group Managing Director, Mr Lim Kiam Lam. No conflict of interest with the Company. No convictions for offences within the past 10 years.

Toh Tuan Sun

52 years of age - Malaysian

Executive Director. He is currently the President and Chief Executive Officer and serves as a member of the Audit Committee of Malayawata Steel Berhad. He was involved in the steel industry business for the past twenty-seven (27) years. He started off in the steel industry through his association with Malayawata Steel Berhad in 1973. Thereafter he moved on to Bright Steel Sdn. Bhd. in 1976 as Sales Manager and subsequently in 1979 he was promoted to General Manager, directly involved in the production expansion programmes and the business strategies of the company. In 1986, he joined Ann Joo to spearhead its business expansion into manufacturing activities. He is currently the Head of Strategic Business Unit 3 involved in manufacturing activities of the Company.

Appointed as Director of the Company on 11 September 1996 and also serves as a member of its Option Committee. Current directorship in a public company includes Malayawata Steel Berhad.

Attended all the four Board Meetings held for the financial year. No family relationship with any Director and/or major shareholder of the Company. No conflict of interest with the Company. No convictions for offences within the past 10 years.



BOARD OF DIRECTORS' PROFILE (CONT'D)

Tan Sri Zulkifli Bin Mahmood

66 years of age - Malaysian

Independent Non-Executive Director. He is a lawyer by profession and began his career with the Government in 1955 serving mostly in the Judicial & Legal Service before retiring in mid-1994. His impeccable track record includes serving as a Magistrate, President Sessions Courts, Deputy Public Prosecutor, Senior Federal Counsel, Legal Adviser to the Inland Revenue Department, Registrar of Companies ("ROC") as well as Administrator of the Securities Industry. He was also the Chairman of the Advisory Board of the Prime Minister's Department.

He was the first ROC entrusted to administer the securities industry when the Securities Industry Act came into force on 27 December 1966. He set up a Division in the Registry to monitor and oversee those dealing in securities including the Stock Exchange to comply with relevant regulations in order to promote a healthy market for investors. Continuous training was provided for personnel attached to this Division by sending them for relevant courses or seminars to ensure that they are well-versed with the latest knowledge on securities. In fact, he led two delegations to study "Merger and Takeover of Companies" in Australia and to study "Investment in Securities and Securities Market" in London in 1980. His legal knowledge on business and business related matters are instrumental in contributing to the continuing growth of the Company.

Appointed as Director of the Company on 11 September 1996 and also serves as a member of its Audit Committee, Remuneration Committee and Nominating Committee. Current directorship in public companies includes Amalgamated Industrial Steel Berhad, Sunchirin Industries (M) Berhad, Formis Malaysia Berhad and Paracorp Berhad.

Attended three out of four Board Meetings held for the financial year. No family relationship with any Director and/or major shareholder of the Company. No conflict of interest with the Company. No convictions for offences within the past 10 years.

Dato' Ong Kim Hoay

69 years of age - Malaysian

Independent Non-Executive Director. He is an Associate Member of the Institute of Chartered Accountants (Australia), Institute of Chartered Secretaries and Administrators (Australia) and also a member of the Malaysian Institute of Accountants and the Malaysian Association of Certified Public Accountants. He started his career in 1969 as an Auditor with Terquand Youngs & Co. (now known as Ernst & Young), a public accounting firm. He subsequently joined Malayan Banking Berhad (Maybank) in 1970 and has held various senior positions in the Bank before retiring as General Manager, Singapore Operations in 1992. He has also served on the Board of Directors of Maybank for several years.

Appointed as Director of the Company on 11 September 1996 and also serves as Chairman of its Audit Committee, Remuneration Committee and Nominating Committee. He was appointed as Senior Independent Non-Executive Director of the Company on 28 November 2001. Current directorship in public companies includes Amanah Capital Partners Berhad, Amanah Short Deposits Berhad, Atlan Holdings Berhad, Multivest Resources Berhad, Artwright Holdings Berhad, Kimble Corporation Berhad and Sriwani Holdings Berhad.

Attended three out of four Board Meetings held for the financial year. No family relationship with any Director and/or major shareholder of the Company. No conflict of interest with the Company. No convictions for offences within the past 10 years.



BOARD OF DIRECTORS' PROFILE (CONT'D)

Mohd Alkaf Bin Mohd Kahar

54 years of age - Malaysian

Independent Non-Executive Director. He is currently the Chairman of Kimble Corporation Berhad. He was formerly with the RHB Bank Berhad from 1984 to 1994 where he assumed the post of General Manager in 1990. Prior to that, he was attached to the Ministry of Finance (Tax and Economic Divisions) from 1980 to 1983, and to the Prime Minister's Department (Economic Planning Unit) from 1971 to 1980. He holds a Bachelor of Arts Honours in Economics from the University of Malaya in 1971 and obtained his Master of Arts in Development Economics from Williams College, Massachusetts, in 1975.

Appointed as Director of the Company on 11 September 1996 and also serves as a member of Audit Committee, Remuneration Committee, Nominating Committee and Investment Committee. He was the Chairman of the Option Committee since its inception in 1998 until May 2002. Current directorship in public companies includes Talam Corporation Berhad and Kimble Corporation Berhad.

Attended all the four Board Meetings held for the financial year. No family relationship with any Director and/or major shareholder of the Company. No conflict of interest with the Company. No convictions for offences within the past 10 years.

Datuk Haidar Ali Bin Haji Sheikh Fadzir

42 years of age - Malaysian

Independent Non-Executive Director. He holds a Bachelor of Science degree majoring in Business Administration from Indiana State University, United States of America. He has a few years of extensive working experience in international trade, agricultural development and property development and procurement of building materials both locally and overseas. His knowledge and insight of international trade is instrumental in contributing to the continuing growth of the International Division of Aseania Trading Sdn. Bhd.

Appointed as Director of the Company on 1 March 2000 and also serves as Chairman of Option Committee since August 2002. Current directorship in a public company includes Gold Bridge Engineering & Construction Berhad.

Attended three out of four Board Meetings held for the financial year. No family relationship with any Director and/or major shareholder of the Company. No conflict of interest with the Company. No convictions for offences within the past 10 years.



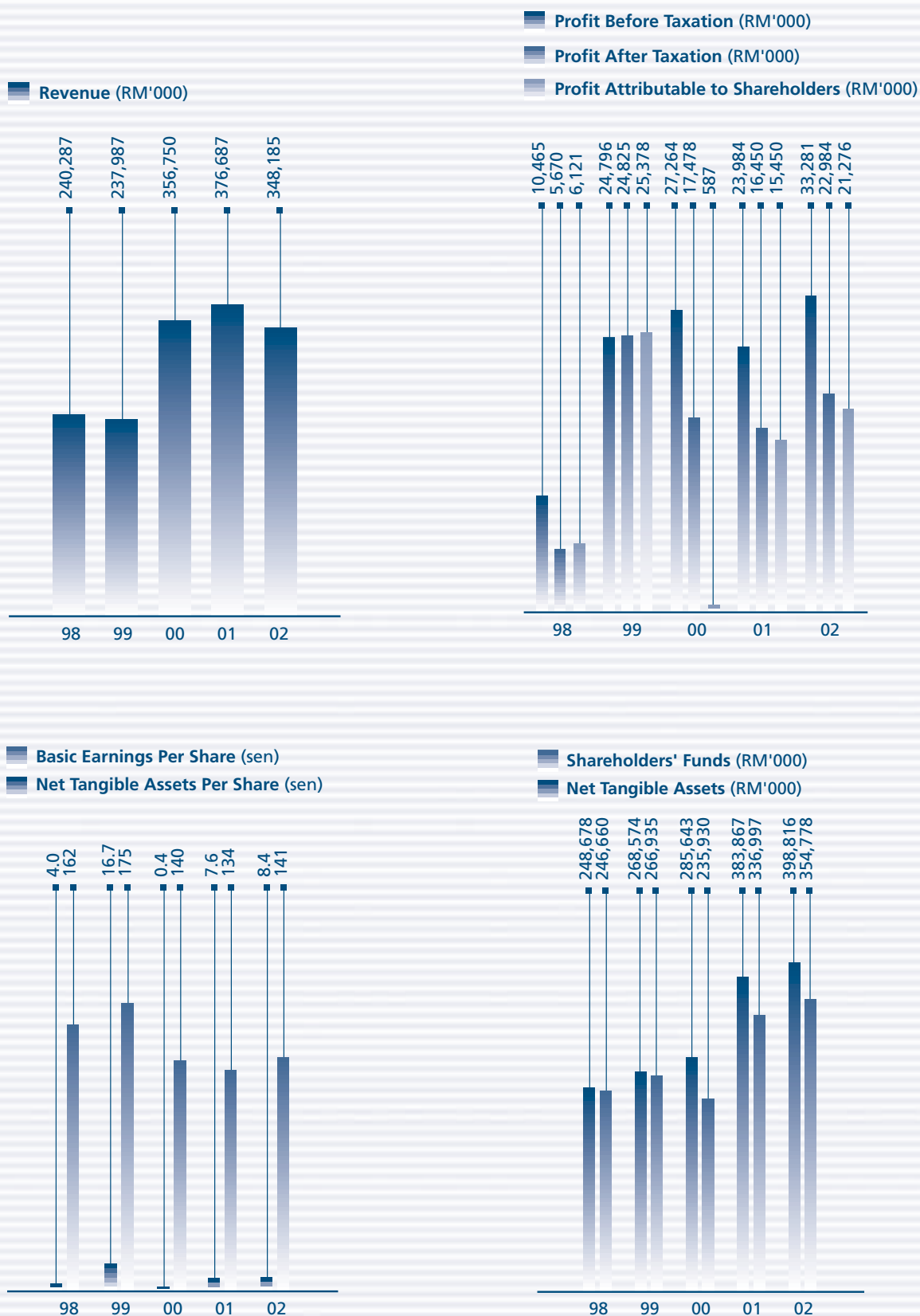
5 YEARS' GROUP FINANCIAL HIGHLIGHTS

	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000
Revenue	240,287	237,987	356,750	376,687	348,185
Profit Before Taxation	10,465	24,796	27,264	23,984	33,281
Profit After Taxation	5,670	24,825	17,478	16,450	22,984
Profit Attributable to Shareholders of the Company	6,121	25,378	587	15,450	21,276
Dividend Rate	3.0	5.0	3.5	3.5	6.0
Net Dividend	3,920	7,671	6,592	6,237	10,892 *
Shareholders' Funds	248,678	268,574	285,643	383,867	398,816
Net Tangible Assets	246,660	266,935	235,930	336,997	354,778
Net Tangible Assets Per Share (sen)	162	175	140	134	141
Basic Earnings Per Share (sen)	4.0	16.7	0.4	7.6	8.4

* Dividend in respect of the financial year ended 31/12/2002 is subject to the shareholders' approval at the forthcoming Annual General Meeting.



5 YEARS' GROUP FINANCIAL HIGHLIGHTS (CONT'D)





CHAIRMAN'S STATEMENT

“ On behalf of the Board of Directors of
Ann Joo Resources Berhad, I am pleased
to present the seventh Annual Report
and Audited Accounts of the Company
and the Group for the financial
year ended 31st December 2002. ”

FINANCIAL HIGHLIGHTS

Despite a tight labour market following the repatriation of illegal foreign workers, shortage of raw materials, escalating international steel prices and import restrictions including increased custom duties, the Group registered a 39% improvement in profit before tax, from RM24.0 million to RM33.3 million in the current year under review. However, the tough environment caused Group revenue to fall by 8% from RM376.7 million posted in the preceding year.

DIVIDEND

In line with the better financial performance of the Group, the Board of Directors recommends a higher First and Final Dividend of 6.0% less 28% Malaysian Income Tax for the financial year ended 31st December 2002.

OPERATIONS REVIEW

As a result of the Government's expansionary budgetary measures that led to increased construction activity in the country, the manufacturing units of the Group producing long products registered a better profit contribution compared to that of the preceding year. This is especially so for Malayawata Steel Berhad with its first full year contribution since its turnaround. The overall performance of these units would have been better if not for the slow down in construction activity in the second half of the year following the repatriation of illegal foreign workers and the shortage of raw materials faced by one of the manufacturing units.

Trading units' volume of sales has dropped due to import restrictions and increased customs duties on steel products and higher international steel prices. However, strategic procurement measures in place had resulted in higher margins that, to a large extent, mitigated the impact of reduced sales.



CHAIRMAN'S STATEMENT (CONT'D)

CORPORATE DEVELOPMENT

With a view to achieving better synergy between the various operating units, the Group structure and business activities underwent some changes.

An agreement has been entered into by a subsidiary, for the proposed disposal of one of its existing rolling mill plant together with machinery/equipment thereto to an associated company involved in the same business activity. The transaction is presently pending approval from the purchaser's shareholders.

The Group has also increased its stake in ACSAN, thereby converting it from an associated company to a subsidiary company.

OUTLOOK FOR THE FUTURE

According to the 2002 Bank Negara Malaysia (BNM) annual report, the Malaysian economy is expected to grow at 4.5% in 2003, underpinned by domestic sources of growth and further fiscal spending. The growth of the construction sector, which is estimated at 1.9% augurs well for the Group's efforts of streamlining its long products manufacturing operations for greater efficiency and productivity. The performance of the long products manufacturing units of the Group would also be affected by international scrap price.

The international steel price movement and any change of the current import restrictions and high customs duties on steel products will substantially determine the performance of the trading units within the Group. Strategic procurement and inventory management remain crucial in facing the future challenge posed by the uncertainty of price or policy change.

With the coming into force of AFTA and the consequent market liberalisation, the Group will endeavour to expand its presence in the region, directly or indirectly.

Against the above backdrop, the Group is cautiously optimistic of a better performance in 2003.

ACKNOWLEDGEMENT

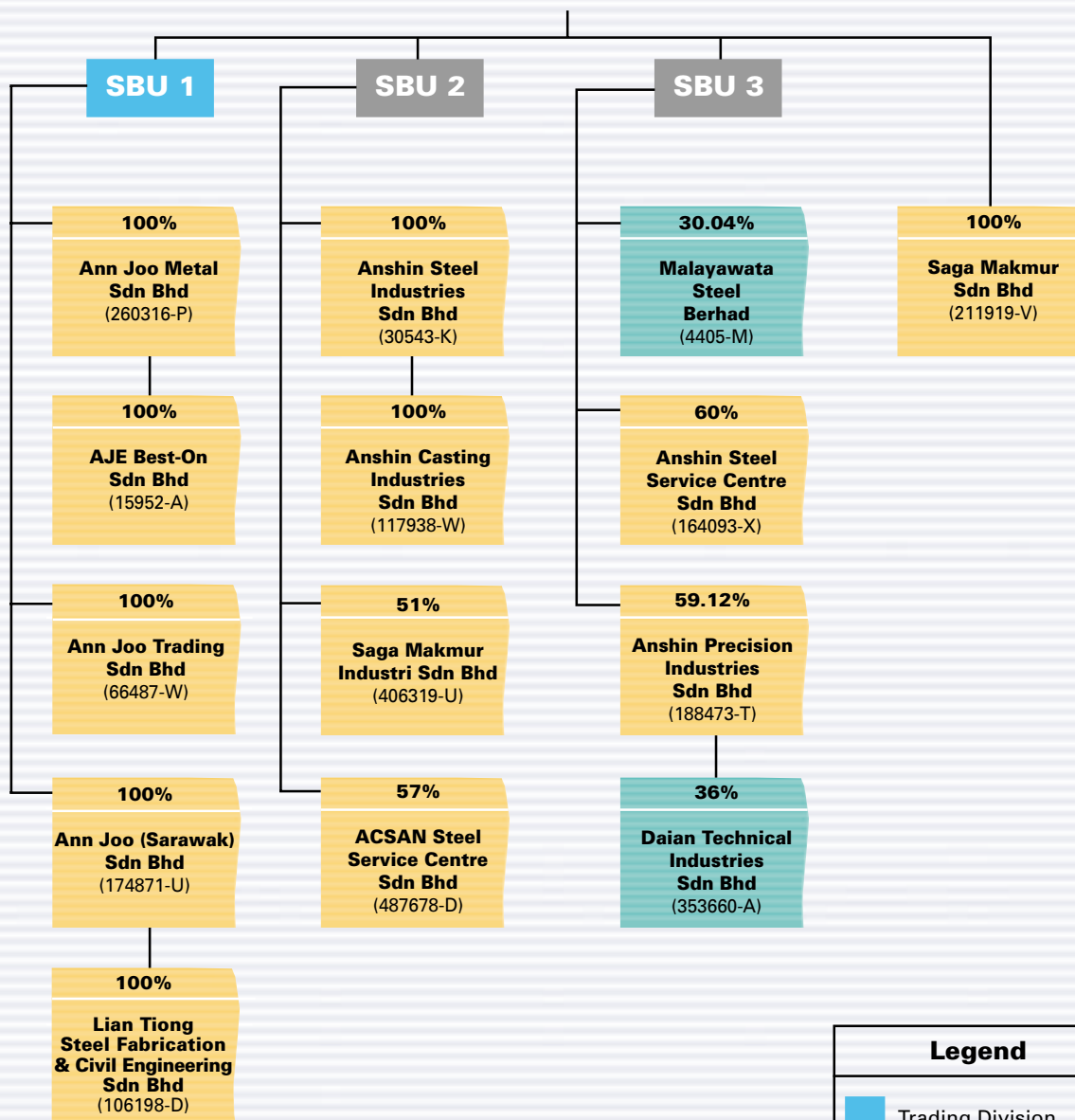
I wish to extend my sincere thanks and appreciation to the Board, management and staff for their contribution to the Company and Group's performance. My appreciation is further extended to our shareholders, customers, suppliers, financiers and business associates for their continued support.

On behalf of the Board, I would also like to take this opportunity to express a warm welcome to Mr. Lim Hong Thye who was appointed an executive director of the Company on 1st January 2003 to further strengthen the senior management team.

Lim Seng Chee
Chairman
22 April 2003

GROUP STRUCTURE

as at 29 April 2003



Legend

	Trading Division
	Manufacturing Division
	Subsidiary Company
	Associated Company



CORPORATE GOVERNANCE STATEMENT

The Board is pleased to provide the following statements, which outline the main corporate governance practices that were in place throughout the financial year, unless otherwise stated.

PRINCIPLES STATEMENT

The following statement sets out how the Group has applied the principles in Part 1 of the Code.

A. Board of Directors

Board responsibilities

The Group acknowledges the important role played by the Board of Directors in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction and overall well being. Although it does not have a formal schedule of matters reserved to itself for decision, the Board is normally involved in matters concerning the overall Group strategy and direction, acquisition and divestment policy, approval of capital expenditure, consideration of significant financial matters and the review of financial and operating performance of the Group.

Meetings

The Board meets at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the year ended 31 December 2002, the Board met on four (4) occasions, where it deliberated upon and considered amongst others, a variety of matters including the Group's financial results, major investments, strategic decisions and the business plan and direction of the Group.

All proceedings from the Board meetings are recorded and the minutes thereof signed by the Chairman of the meeting.

Details of each existing Director's meeting attendance are as set out in the profile of the respective directors from pages 7 to 11 of this Annual Report.

Board Committees

The Board, who is the ultimate authority in decision-making for all significant matters, delegates certain responsibilities to the Board Committees, namely an Audit Committee, an Investment Committee, a Nominating Committee and a Remuneration Committee, to consider particular issues and recommend the proposed actions to the Board in order to enhance business and operational efficiency as well as efficacy.

The Chairmen of the various Committees will report to the Board the outcome of the Committee meetings and such reports are incorporated in the minutes of the full Board meeting.

Board Balance

As at the date of this statement, the Board consists of ten (10) members, comprising four (4) Independent Non-Executive Directors and six (6) Executive Directors. A brief profile of each Director is presented on pages 7 to 11 of this Annual Report.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

Board Balance (Cont'd)

The concept of independence adopted by the Board is in tandem with the definition of an independent Director in Section 1.01 of the Listing Requirements of the Kuala Lumpur Stock Exchange. The key elements for fulfilling the criteria are the appointment of an independent Director who is not a member of management (a non-executive Director) and who is free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. The Board has complied with paragraph 15.02 of the Listing Requirements, which requires that at least two (2) Directors or one-third of the Board of the Company, whichever is the higher, are independent.

The Directors, with their different backgrounds and specialisation, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate and legal affairs, marketing and operations. The executive Directors in particular are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The independent non-executive Directors bring to bear objective and independent judgement to the decision making of the Board and provide a capable check and balance for the executive Directors. The independent non-executive Directors contribute in areas such as policy and strategy and performance monitoring. Together with the executive Directors who have intimate knowledge of the business, the Board is constituted of individuals who are committed to business integrity and professionalism in all its activities.

There is a clear division of responsibilities at the head of the Company to ensure a balance of authority and power. The Board is led by Mr Lim Seng Chee as the Executive Chairman, who is responsible for running the Board and ensures effectiveness of Board policies whilst Mr Lim Kiam Lam, the Group Managing Director, leads the executive management and is responsible for the day-to-day operations and implementation of Board policies and decisions. The Code recommends the appointment of a senior independent non-executive Director to whom concerns may be conveyed. For this purpose, the Board has appointed Dato' Ong Kim Hoay as the senior independent non-executive Director.

The Board is of the opinion that its current composition fairly reflects the investment of all shareholders in the Company.

Supply of information

The Chairman, with the assistance of the Company Secretary, ensures that all Directors have full access to information. Every Director has also unhindered access to the advice and services of the Company Secretary. The Board believes that the current Company Secretary is capable of carrying out his duties to ensure the effective functioning of the Board. The Articles of Association specify that the removal of the Company Secretary is a matter for the Board as a whole.

Prior to the meetings of the Board and the Board Committees, appropriate documents which include the agenda and reports relevant to the issues of the meetings covering the areas of strategic, financial, operational and regulatory compliance matters, are circulated to all the members to obtain further explanation, where necessary, in order to be properly briefed before the meeting.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Supply of information (Cont'd)

Although there are no agreed formal procedures in place, the Board as a whole will determine, whether as a full board or in their individual capacity, to take independent professional advice on an ad-hoc basis, where necessary and under appropriate circumstances, in furtherance of their duties, at the Group's expense.

Appointments to the Board

Nominating Committee

The Nominating Committee comprises the following members who are exclusively Independent Non-Executive Directors:

- Dato' Ong Kim Hoay - Chairman of Committee
- Tan Sri Zulkifli Bin Mahmood - Member
- Encik Mohd Alkaf Bin Mohd Kahar - Member

The Nominating Committee is empowered by the Board to bring to the Board recommendations on the appointment of new Directors, review the Board structure, size and composition as well as those of Board Committees. The Committee met twice during the financial year and the meetings were also attended by the Group Managing Director upon the invitation of the Committee.

Directors' training

The Board, through the Nominating Committee, ensures that it recruits to the Board only individuals of sufficient calibre, knowledge and experience to fulfil the duties of a Director appropriately. There is no formal training or orientation programme for Directors. However, all Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) conducted by the Research Institute of Investment Analysts Malaysia (RIIAM). The Directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge where relevant.

Re-election

The Articles of Association provide that at least one-third of the Board are subject to retirement by rotation at each Annual General Meeting and that all directors shall retire from office once at least in every three (3) years. The directors to retire in each year are the Directors who have been longest in office since their appointment or re-appointment. A retiring Director is eligible for re-election. The Articles of Association has been amended to provide that even the Managing Director is required to retire once at least in each three (3) years unless there is a subsisting contract with the Managing Director and the retirement of such would result in the Company being in breach of the contract with the Managing Director.

Mr Lim Kiam Lam, the Managing Director of the Company, has entered into a contract of service with the Company before 1 June 2001 and accordingly he is not subjected to retirement by rotation in accordance with the requirements of Paragraph 7.28 of the KLSE Listing Requirements. This is because the retirement of the Managing Director by rotation would result in the Company being in breach of the contract with the Managing Director.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

Re-election (Cont'd)

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act 1965.

B. Director's remuneration Remuneration Committee

The Remuneration Committee comprises the following members, who are exclusively Independent Non-Executive Directors:

- Dato' Ong Kim Hoay - Chairman
- Tan Sri Zulkifli Bin Mahmood - Member
- Encik Mohd Alkaf Bin Mohd Kahar - Member

The Company pays its Directors annual fee, which is approved annually by the shareholders. During the financial year, the Committee met only once and the meeting was also attended by the Group Managing Director at the invitation of the Committee. The Remuneration Committee is responsible for recommending the framework of Executive Directors' remuneration package as well as reviewing their scope of services. The ultimate approval of the remuneration of Executive Directors lies with the Board.

The Board as a whole determines the remuneration of the Non-Executive Directors with the individual Directors concerned abstaining from the decision in respect of their individual remuneration.

The policy adopted by the Remuneration Committee is to recommend remuneration packages in order to attract, retain and motivate Directors in managing the business of the Group.

Details of the nature and amount of each major element of the remuneration of Directors of the Company, during the financial year, are as follows:

	Salary	Fees	Bonus & Allowances	Statutory contribution	Benefit- in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors	1,500	224	499	258	112	2,593
Non-Executive Directors	0	115	10	0	0	125

The remuneration paid/payable to Directors, analysed into bands of RM50,000 for the year ended 31 December 2002, are summarised as follows:

Range of remuneration	Number of Directors	
	<i>Executive</i>	<i>Non-Executive</i>
RM0 to RM50,000	1	4
RM550,001 to RM600,000	1	0
RM600,001 to RM650,000	1	0
RM650,001 to RM700,000	1	0
RM700,001 to RM750,000	1	0

CORPORATE GOVERNANCE STATEMENT (CONT'D)

C. Shareholders

The Company recognises the importance of communicating with its shareholders and does this through the Annual Report, AGM, Extraordinary General Meetings, public announcements and meetings with analyst upon request. The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving shareholders an overview of the Group's performance and operations. As the AGM is the main forum used by the Company to communicate with its shareholders, the Chairman normally encourages the shareholders to ask questions both about the resolutions being proposed and the Group's operations in general. The Board members, including certain members of senior management, are present and available at the AGM to respond to questions raised at the meeting by shareholders.

In addition, the Company makes various announcements through the KLSE, in particular, the timely release of the quarterly results within two months from the close of a particular quarter. Summaries of the quarterly and the full year's results and copies of the full announcement are supplied to the shareholders and members of the public upon request. Members of the public can also obtain the full financial results and the Company's announcement from the KLSE's website.

D. Accountability and audit Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements, quarterly and yearly announcement of the results to shareholders and the Chairman's statement in the Annual Report. The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Director's responsibility statement is set out on page 23 of this Annual Report.

State of internal controls

The Directors recognise their ultimate responsibility for the Group's system of internal controls and the need to review its effectiveness regularly in order to safeguard the Group's assets and therefore shareholders' investments in the Group. This system, by its nature, can only provide reasonable but not absolute assurance against misstatement, fraud or loss.

At this juncture, the Board is of the view that the current system of internal control in place throughout the Group is sufficient to safeguard the Group's interest.

Relationship with the Auditors

The relationship of the Audit Committee with the internal and external auditors are included in the Audit Committee's Report as detailed on pages 24 to 26 of this Annual Report.

A summary of the activities of the Audit Committee during the year is set out in the Audit Committee Report on pages 24 to 26 of this Annual Report.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

COMPLIANCE STATEMENT

The Group has complied, throughout the financial year ended 31 December 2002, with the Best Practices of corporate governance set out in Part 2 of the Code except for the following:

- Although the Nominating Committee has no formal guidelines for new appointments to the Board, it has been the Board's practice, prior to the formation of the Nominating Committee, to evaluate candidates for Directorship only those with specific industry experience, complemented by professionals with expertise in legal matters, accounting, banking and finance. The Nominating Committee is expected to continue with this practice;
- There are no formalised position descriptions, which set forth the limits of Management's responsibilities such as the adoption of a Board Charter or terms of reference for the Board. This is because the Board views that the current Management structure fulfils the objectives of the Board in directing and supervising the business affairs of the Group. Moreover, various Management Committees are in place to manage the business activities of the Group, presently housed under three (3) strategic business units;
- There is minimal non-financial information furnished to the Board as the bulk of the information provided is financial-oriented in nature. The Board recognises that operational issues are managed and addressed by Executive Directors at the operating unit as well as strategic business unit level. The Directors, therefore, adopt the view that such operational issues need not be re-addressed at Company level, as the Company is essentially an investing holding company. Nevertheless, the Board does not restrict any of its members, in particular Non-Executive Directors, from receiving such non-financial information in discharge of their duties and responsibilities;
- There is no formal orientation and education programme for new recruits to the Board apart from the Mandatory Accreditation Programme that all Directors need to undergo. This is because the Nominating Committee is empowered to recruit to the Board only individuals of sufficient calibre, knowledge and experience to fulfil the duties of a Director appropriately;
- The Board does not have a formal schedule of matters specifically reserved to it for decision. However, it has been the practice for the Board to deliberate on matters that involve overall Group strategy and direction, acquisition and divestment policy, approval of capital expenditure, consideration of significant financial matters and the review of the financial and operating performance of the Group.
- The Board currently does not have an agreed procedure for Directors, whether as a full Board or in their individual capacity, in furtherance of their duties, to take independent professional advice at the Company's expense. The Board is of the view that it is adequate for the matter to be brought before the whole Board for deliberation and decision whenever a need for independent professional advice arises.



STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the Directors have :

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and Company and which enable them to ensure that financial statements comply with the Companies Act 1965 and applicable approved accounting standards. The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

OTHER INFORMATION

Options, Warrants or Convertible Securities

During the financial year, there were 25,000 options exercised pursuant to the Employees' Share Option Scheme of the Company.

No warrants of the Company were exercised during the financial year.

Non-Audit Fees

An amount of RM210.00 was paid to the external auditors being professional fees paid in respect of certain application to some utility board for special concessionary by a subsidiary company.

Material Contracts

There were no material contracts subsisting as at or entered into since the end of the previous financial year, by the Company or its subsidiaries, which involved the interest of the Directors and major shareholders.

Revaluation Policy

The revaluation policy of the Company is disclosed in Note 3 to the Accounts.



AUDIT COMMITTEE REPORT

MEMBERSHIP

The present members of the Committee comprise:-

Dato' Ong Kim Hoay	- Chairman, Independent Non-Executive Director
Tan Sri Zulkifli Bin Mahmood	- Independent Non-Executive Director
Mohd Alkaf Bin Mohd Kahar	- Independent Non-Executive Director
Lim Kiam Lam	- Group Managing Director

TERMS OF REFERENCE

Constitution & Membership

1. The Audit Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members and at least one member of the Committee:-
 - (i) must be a member of the Malaysian Institute of Accountants; or
 - (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years' working experience and:-
 - (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
2. A majority of the Committee members must be Independent Directors.
3. No alternate director is to be appointed as a member of the Committee.
4. The members of the Committee shall elect a chairman from among their number who shall be an Independent Director.
5. The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three (3) years.

Authority

6. The Committee is authorised by the Board to investigate any matter within its terms of reference. It is authorised to seek any information it requires from the external auditors and any employee and all employees are directed to co-operate with any request made by the Committee.
7. The Committee shall have the resources which are required to perform its duties.
8. The Committee is authorised to obtain independent professional or other advice if it considers necessary.

Functions and Duties

9. The functions and duties of the Committee shall be:-
 - (i) To review the following and report the same to the Board of Directors:-
 - (a) with the external auditor, the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal control;



AUDIT COMMITTEE REPORT (CONT'D)

Functions and Duties (Cont'd)

- (c) with the external auditor, his audit report;
 - (d) the assistance given by the employees of the Company to the external auditor;
 - (e) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (g) the quarterly results and year end financial statements prior to the approval by the Board of Directors, focusing particularly on:-
 - changes in or implementation of accounting policies and practices;
 - significant and unusual events;
 - compliance with accounting standards and other legal requirements;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - major judgmental areas.
 - (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
 - (i) external auditors' management letter and management's response.
- (ii) To consider the major findings of internal investigations and management's response;
 - (iii) To discuss problems and reservations arising from the audit and any matter the auditor may wish to discuss (in the absence of management where necessary);
 - (iv) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
 - (v) To recommend the nomination of a person or persons as external auditors;
 - (vi) To review any appraisal or assessment of the performance of members of the internal audit function;
 - (vii) To approve any appointment or termination of senior staff members of the internal audit function;
 - (viii) To be informed of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning; and
 - (ix) To perform any other functions or duties as may be agreed to by the Committee and the Board.

Quorum and Attendance at Meetings

10. A quorum shall be 2 members and the majority of members present must be Independent Directors.
11. The Head of Finance, the Head of Internal Audit (where such a function exists) and a representative of the external auditors shall normally attend meetings. Other Board members and employees may attend meetings upon invitation of the Committee. However, at least once in a financial year, the Committee shall meet with the external auditor without executive board members present.



AUDIT COMMITTEE REPORT (CONT'D)

Quorum and Attendance at Meetings (Cont'd)

12. The external auditors may request a meeting if they consider it necessary.
13. The Secretary to the Committee shall be the Company Secretary.
14. Meetings shall be held not less than four (4) times in a financial year.
15. Minutes of each meeting shall be distributed to each member of the Board.

Meetings

During the financial year ended 31 December 2002, the Audit Committee convened a total of five (5) meetings. The details of attendance of the Committee members are as follows:

Members	Attendance
1. Dato' Ong Kim Hoay	All 5 meetings
2. Tan Sri Zulkifli Bin Mahmood	4 out of 5 meetings
3. Mohd Alkaf Bin Mohd Kahar	All 5 meetings
4. Lim Kiam Lam	All 5 meetings

The Group Financial Controller and Head of Internal Audit were present in all the meetings. Representative of the external auditors attended meetings where matters relating to the audit of the statutory accounts were discussed. The Company Secretary was the secretary to the Audit Committee.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The Audit Committee carried out its duties in accordance with its terms of reference during the year.

The main activities undertaken by the Committee were as follows:

- Review of the quarterly and annual financial statements of the Company and the Group prior to submission to the Board of Directors for consideration and approval.
- Review of the internal audit reports and consideration of the findings and management's responses thereto.
- Review and discuss with external auditors the issues arising from the statutory audit and the audit report.
- Discuss problems and reservation arising from external audit, and any matter the external auditors may wish to discuss.
- Review Related Party Transactions and conflict of interest situation that may arise within the Group.

Internal Audit Function

The internal audit function is independent of the activities or operations of other operating units. The principal role of the function is to undertake independent regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsible of the internal audit function to provide the Audit Committee with independent and objective reports on the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.



STATEMENT ON INTERNAL CONTROL

Introduction

Paragraph 15.27(b) of Kuala Lumpur Stock Exchange Listing Requirements requires the Board of Directors of public listed companies to include in its annual reports a “statement about the state of internal control of the listed issuer as a group”. The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the year and up to the date of this Annual Report.

Board Responsibility

The Board is ultimately responsible for the Group’s system of internal control which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. Because of the limitations that are inherent in any system of internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

Risk and Control Processes

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group, that has been in place throughout the year and up to the date of approval of the Annual Report and financial statements, and that this process is subject to periodic review by the Board and accords with the Internal Control Guidance.

The Group has in place an enterprise risk management framework and an internal audit function that combines in-house resources and outsourcing to external consultants in providing the Board with much of the assurance it requires regarding the adequacy and effectiveness of risk management, internal control and governance systems.

The Group’s enterprise risk management framework encompasses the following key elements:

- Workshops and interviews were conducted with Directors and management from all business units in the Group. A database of all risk and controls has been created, and information filtered to produce a detailed risk register, and individual risk profiles for the major business units. Key risks to each business unit’s objectives aligned with the Group’s strategic objectives, are identified and scored for likelihood of the risks occurring and the magnitude of impact.
- A consolidated risk profile of the Group was developed, which together with a summary of the key findings, was discussed at the senior management level before being submitted to the Board for consideration.



STATEMENT ON INTERNAL CONTROL (CONT'D)

Risk and Control Processes (Cont'd)

The Group has adopted a risk-based internal audit function with internal audit strategies and internal audit plans formulated based on the risk profiles of the Group established from the enterprise risk management framework. Currently, a two-year internal audit strategy and a detailed annual internal audit plan are reviewed and approved by the Audit Committee at the beginning of the financial year. The main focus of internal audit function is to provide an independent review of the risk identification procedures and the internal control procedures on key business activities of the Group. The internal audit findings will be reported to the Audit Committee at least twice a year.

The Audit Committee reviews reports from internal audit and from management, before reporting and recommending to the Board in strengthening the risk management, internal control and governance systems. The Committee presents its findings to the Board on a half-yearly basis or earlier as appropriate. Where areas of improvement in the system are identified, the Board considers the recommendation made by the Audit Committee and the Management.

Besides, the Group Managing Director also reports to the Board on significant changes in the business and the external environment. The Board is provided with quarterly financial information including, among others, the monitoring of results against budget.

There were no material losses incurred during the current financial year as a result of weaknesses in internal control. Management and the Board continue to take pertinent measures to strengthen the control environment of the Group.

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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and property management. The principal activities of its subsidiary companies are shown in Note 4 to the financial statements.

There have been no significant changes in the activities of the Company and of its subsidiary companies during the financial year.

FINANCIAL RESULTS

	GROUP RM'000	COMPANY RM'000
Profit before taxation	33,281	17,758
Taxation	(10,297)	(3,960)
Profit after taxation	22,984	13,798
Profit attributable to minority interests	(1,708)	-
Profit after taxation and minority interests	21,276	13,798

RESERVES AND PROVISIONS

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

SHARE CAPITAL

During the financial year, the issued and paid-up share capital of the Company was increased from 252,090,000 shares of RM1.00 each to 252,115,000 shares of RM1.00 each by the issue of 25,000 new ordinary shares of RM1.00 each pursuant to the Employees' Share Option Scheme.

DIVIDENDS

The Directors recommend a first and final dividend of 6 sen per share (less 28% income tax) in respect of the financial year ended 31 December 2002 amounting to RM10,891,368. The proposed first and final dividend is subject to the shareholders' approval in the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.



DIRECTORS' REPORT (CONT'D)

DIVIDENDS (CONT'D)

The Company has paid a first and final dividend of 3.5 sen per share (less 28% income tax) in respect of the financial year ended 31 December 2001 amounting to RM6,353,298. This is an increase of RM630 over the amount disclosed in the previous Directors' Report due to additional shares issued pursuant to the Employees' Share Option Scheme after the financial year end.

DIRECTORS

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

Lim Seng Chee
Lim Seng Qwee
Lim Kiam Lam
Lim Sin Seong
Toh Tuan Sun
Tan Sri Zulkifli Bin Mahmood
Dato' Ong Kim Hoay
Mohd Alkaf Bin Mohd Kahar
Datuk Haidar Ali Bin Haji Sheikh Fadzir
Lim Hong Thye (Appointed on 1.1.2003)

Mr Lim Sing Chee being over the age of 70 years retired pursuant to Section 129 (2) of the Companies Act, 1965 and does not wish to seek to be re-appointed as a Director of the Company.

In accordance to Article 108 of the Articles of Association of the Company, Mr Lim Hong Thye retires and being eligible, offers himself for re-election.

In accordance to Article 101 of the Articles of Association of the Company, Datuk Haidar Ali bin Haji Sheikh Fadzir, Lim Seng Qwee and Lim Sin Seong retire 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 in the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which a Director is a member or with a company in which a Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares of the Company are as follows:

	Number of ordinary shares of RM1.00 each			
	As at 01.01.02	Additions	Disposals	As at 31.12.02
Direct interest in shares				
Lim Seng Chee	1,744,500	-	-	1,744,500
Lim Seng Qwee	1,801,648	-	-	1,801,648
Lim Kiam Lam	528,000	-	-	528,000
Toh Tuan Sun	1,380,244	-	-	1,380,244
Dato' Ong Kim Hoay	15,000	-	-	15,000
Mohd Alkaf Bin Mohd Kahar	165,000	-	-	165,000

Indirect interest in shares

Lim Seng Chee	166,338,575	-	-	166,338,575
Lim Seng Qwee	166,338,575	-	-	166,338,575
Lim Kiam Lam	166,338,575	-	-	166,338,575
Lim Sin Seong	166,338,575	-	-	166,338,575
Mohd Alkaf Bin Mohd Kahar	1,261,455	-	-	1,261,455

	Number of warrants			
	As at 01.01.02	Granted	Disposals/ Exercised	As at 31.12.02
Direct interest				
Lim Seng Chee	581,500	-	-	581,500
Lim Seng Qwee	600,549	-	-	600,549
Lim Kiam Lam	176,000	-	-	176,000
Toh Tuan Sun	460,081	-	105,000	355,081
Dato' Ong Kim Hoay	5,000	-	-	5,000
Mohd Alkaf Bin Mohd Kahar	55,000	-	-	55,000

Indirect interest

Lim Seng Chee	71,248,140	-	6,000,000	65,248,140
Lim Seng Qwee	71,248,140	-	6,000,000	65,248,140
Lim Kiam Lam	71,248,140	-	6,000,000	65,248,140
Lim Sin Seong	71,248,140	-	6,000,000	65,248,140
Mohd Alkaf Bin Mohd Kahar	420,485	-	-	420,485



DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

Each 2001/2006 Warrant confer registered shareholders the right to subscribe for one (1) new ordinary share of RM1.00 each in the Company at an exercise price of RM1.00 each at any time within a period of five (5) years expiring 26 July 2006.

In addition to the above, the following Directors are also deemed to have an interest in the shares of the Company by virtue of options granted to them pursuant to the Employees' Share Option Scheme of the Company.

	Options over ordinary shares		
	As at 01.01.02	Granted	As at 31.12.02
Lim Seng Chee	500,000	-	500,000
Lim Seng Qwee	300,000	-	300,000
Lim Kiam Lam	500,000	-	500,000
Lim Sin Seong	300,000	-	300,000
Toh Tuan Sun	400,000	-	400,000

The Directors' interest in shares in related companies are as follows:

	Number of ordinary shares of RM1.00 each		
	As at 01.01.02	Additions	As at 31.12.02

Ultimate holding company
- ANN JOO CORPORATION SDN BHD

Direct interest in shares

Lim Kiam Lam	450,000	-	450,000
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Indirect interest in shares

Lim Seng Chee	14,340,000	-	14,340,000
Lim Seng Qwee	12,210,000	-	12,210,000
Lim Kiam Lam	14,340,000	-	14,340,000
Lim Sin Seong	3,000,000	-	3,000,000

By virtue of their interest in the ultimate holding company, Lim Seng Chee, Lim Seng Qwee, Lim Sin Seong and Lim Kiam Lam are also deemed to be interested in the shares of all the subsidiary companies to the extent that the ultimate holding company has an interest in those companies.

Other than as disclosed above, the Directors of the Company do not have any other interest in the shares of the Company or its related companies.



DIRECTORS' REPORT (CONT'D)

EMPLOYEES' SHARE OPTION SCHEME (ESOS)

The Company operates an Employees' Share Option Scheme ("the Scheme") for the employees of the Group. The Scheme came into effect on 5 November 1998 and will expire on 4 November 2003. The main features of the Scheme are:

- (a) The maximum number of shares which may be subscribed and allotted under the Scheme shall not be more than ten percentum (10%) in aggregate of the issued and paid-up share capital of the Company at any point of time during the existence of the Scheme.
- (b) Employees must be at least 18 years of age on the offer date and meet the following criteria to participate in the Scheme:
 - (i) a Malaysia citizen who is a confirmed employee and in full time employment of the Group for at least twelve (12) months continuous service.
 - (ii) a non-Malaysian who is employed by the Group under a contract of employment for a duration of at least three (3) years and whose contribution is vital to the Group.
 - (iii) an Executive Director of the Company whose specific grant of option and the related allotment of shares is approved by the shareholders of the Company in a general meeting.
- (c) The options granted may be exercised by notice in writing to the Company during the period commencing on the offer date and expiring at the end of five (5) years from the commencement date of the Scheme or such shorter periods as may be specifically stated in the offer.
- (d) The options do not grant any right to participate in any share issue of any other company in the Group.
- (e) The exercise price for each ordinary share under the Scheme shall be the average of the highest and lowest market quotation of the shares of the Company as shown in the Daily Official List issued by Kuala Lumpur Stock Exchange for the five (5) market days immediately preceding the offer date or at the par value of the shares, whichever is higher.

The movement of number of options granted and exercised pursuant to the ESOS during the financial year are as follows:

Date granted	Exercise price	Balance as at 01.01.02	Granted	Exercised	Forfeited	Balance as at 31.12.02
11.11.1998	RM1.07	10,157,000	-	24,000	1,074,000	9,059,000
11.02.1999	RM1.11	90,000	-	-	4,500	85,500
11.05.1999	RM1.21	40,500	-	-	4,500	36,000
11.08.1999	RM1.23	222,000	-	-	9,000	213,000
11.11.1999	RM1.23	46,500	-	-	9,000	37,500
11.02.2000	RM1.69	739,500	-	-	142,500	597,000
11.05.2000	RM2.08	292,500	-	-	69,000	223,500



DIRECTORS' REPORT (CONT'D)

EMPLOYEES' SHARE OPTION SCHEME (ESOS) (CONT'D)

Date granted	Exercise price	Balance as at 01.01.02	Granted	Exercised	Forfeited	Balance as at 31.12.02
11.08.2000	RM1.69	280,500	-	-	10,500	270,000
11.11.2000	RM1.30	1,153,500	-	-	105,000	1,048,500
11.02.2001	RM1.24	663,000	-	-	54,000	609,000
11.05.2001	RM1.00	1,146,000	-	-	87,000	1,059,000
11.08.2001	RM1.00	184,000	-	-	20,000	164,000
11.11.2001	RM1.00	82,000	-	-	24,000	58,000
11.02.2002	RM1.00	-	314,000	1,000	19,000	294,000
11.05.2002	RM1.14	-	312,000	-	14,000	298,000
11.08.2002	RM1.05	-	135,000	-	4,000	131,000
11.11.2002	RM1.00	-	64,000	-	-	64,000
		15,097,000	825,000	25,000	1,650,000	14,247,000

OTHER STATUTORY INFORMATION

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

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

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

- (a) which would render the amounts written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.



DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

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

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

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

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) except as disclosed in the financial statements 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.

AUDITORS

The Auditors, Ong Boon Bah & Co, have indicated their willingness to continue in office.

Signed in accordance with a resolution of the Directors dated

LIM SENG CHEE

Executive Chairman

LIM KIAM LAM

Group Managing Director

Petaling Jaya
22 April 2003



STATEMENT BY DIRECTORS

We, LIM SENG CHEE and LIM KIAM LAM, being two of the Directors of ANN JOO RESOURCES BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 39 to 82 are drawn up in accordance with the provisions of the Companies Act, 1965 and the 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 as at 31 December 2002 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors

LIM SENG CHEE
Director

LIM KIAM LAM
Director

Petaling Jaya
22 April 2003

STATUTORY DECLARATION

We, LIM KIAM LAM and TAY KIM CHUAN, being the Director and Officer respectively, both primarily responsible for the financial management of ANN JOO RESOURCES BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 39 to 82 are, to the best of our knowledge and belief, correct and we 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 above-named LIM KIAM LAM and TAY KIM CHUAN at Kuala Lumpur in the Federal Territory on 22 April 2003.

LIM KIAM LAM

TAY KIM CHUAN

Before me

LIANG HIEN TIEN
W 154
Commissioner for Oaths

Kuala Lumpur



REPORT OF THE AUDITORS

To The Members of Ann Joo Resources Berhad

We have audited the financial statements set out on pages 39 to 82. The preparation of these financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those 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. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the 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 which 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 31 December 2002 and of the results and cash flows of the Group and of the Company for the financial 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 by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The names of subsidiary companies of which we have not acted as auditors are shown in Note 4 to the financial statements. We have considered the financial statements of the subsidiary companies and the auditors' reports thereon.

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 as required by us for those purposes.

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

ONG BOON BAH & CO
AF: 0320
Chartered Accountants

Kuala Lumpur
22 April 2003

WONG SOO THIAM
1315/12/04(J)
Partner of the Firm



BALANCE SHEETS

as at 31 December 2002

	Note	GROUP		COMPANY	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
PROPERTY, PLANT AND EQUIPMENT	3	165,447	170,553	59,995	60,177
SUBSIDIARY COMPANIES	4	-	-	152,422	152,422
ASSOCIATED COMPANIES	5	213,781	205,825	208,949	208,949
INVESTMENTS	6	231	233	-	-
INTANGIBLE ASSETS	7	498	858	-	-
CURRENT ASSETS					
Inventories	8	105,714	101,289	-	-
Receivables	9	56,107	66,938	1,655	5,893
Tax recoverable		2,404	1,649	1,625	1,632
Short term deposits with licensed banks		4,038	-	-	-
Cash and bank balances		3,877	5,461	11	7
		172,140	175,337	3,291	7,532
CURRENT LIABILITIES					
Payables	10	17,294	22,389	2,034	4,239
Short term borrowings	11	90,637	79,724	22,500	9,375
Taxation		765	3,980	-	-
		108,696	106,093	24,534	13,614
NET CURRENT ASSETS/(LIABILITIES)		63,444	69,244	(21,243)	(6,082)
		443,401	446,713	400,123	415,466
Financed by:					
SHARE CAPITAL	12	252,115	252,090	252,115	252,090
RESERVES	13	146,701	131,777	123,008	115,562
SHAREHOLDERS' FUNDS		398,816	383,867	375,123	367,652
MINORITY INTERESTS		15,590	13,882	-	-
TERM LOANS	14	25,000	47,500	25,000	47,500
DEFERRED TAXATION	15	3,995	1,464	-	314
		443,401	446,713	400,123	415,466
Net tangible assets per share (RM)		1.41	1.34		

The accompanying notes form an integral part of the financial statements.



INCOME STATEMENTS

for the financial year ended 31 December 2002

	Note	GROUP		COMPANY	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Revenue	16	348,185	376,687	24,439	59,149
Cost of sales		(307,254)	(330,805)	-	-
Gross profit		40,931	45,882	24,439	59,149
Other operating income		4,325	6,312	512	263
Distribution expenses		(6,840)	(7,929)	-	-
Administration expenses		(12,996)	(13,587)	(4,740)	(4,796)
Profit from operations	17	25,420	30,678	20,211	54,616
Finance costs	18	(5,219)	(9,017)	(2,453)	(5,293)
Profit before share of results of associated companies		20,201	21,661	17,758	49,323
Share of results of associated companies		13,080	2,323	-	-
Profit before taxation		33,281	23,984	17,758	49,323
Taxation	19	(10,297)	(7,534)	(3,960)	(12,294)
Profit after taxation		22,984	16,450	13,798	37,029
Profit attributable to minority interests		(1,708)	(1,000)	-	-
Profit attributable to shareholders of the Company		21,276	15,450	13,798	37,029
Basic earnings per share (sen)	20	8.4	7.6		
Fully diluted earnings per share (sen)	20	8.2	7.5		

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2002

GROUP	Share capital RM'000	Share application money RM'000	Share premium RM'000	Other reserves RM'000	Accumulated profit RM'000	Total RM'000
Balance at 31 December 2000						
As previously stated	168,038	10	34,679	7,789	75,127	285,643
Prior year adjustments (Note 21)	-	-	-	-	6,469	6,469
Restated balance	168,038	10	34,679	7,789	81,596	292,112
Shares issued	84,052	(10)				84,042
Premium on shares issued			2			2
Private placement expenses			(11)			(11)
Rights issue expenses			(1,375)			(1,375)
Net profit for the financial year					15,450	15,450
Dividend (Note 22)					(6,353)	(6,353)
Balance at 31 December 2001, restated balance	252,090	-	33,295	7,789	90,693	383,867
Shares issued	25					25
Premium on shares issued			1			1
Net profit for the financial year					21,276	21,276
Dividend (Note 22)					(6,353)	(6,353)
Balance at 31 December 2002	252,115	-	33,296	7,789	105,616	398,816

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF CHANGES IN EQUITY (CONT'D)

COMPANY					
	Share capital RM'000	Share application money RM'000	Share premium RM'000	Accumulated profit RM'000	Total RM'000
Balance at 31 December 2000					
As previously stated	168,038	10	55,519	24,282	247,849
Prior year adjustments (Note 21)	-	-	-	6,469	6,469
Restated balance	168,038	10	55,519	30,751	254,318
Shares issued	84,052	(10)			84,042
Premium on shares issued			2		2
Private placement expenses			(11)		(11)
Rights issue expenses			(1,375)		(1,375)
Net profit for the financial year				37,029	37,029
Dividend (Note 22)				(6,353)	(6,353)
Balance at 31 December 2001, restated balance	252,090	-	54,135	61,427	367,652
Shares issued	25				25
Premium on shares issued			1		1
Net profit for the financial year				13,798	13,798
Dividend (Note 22)				(6,353)	(6,353)
Balance at 31 December 2002	252,115	-	54,136	68,872	375,123

The accompanying notes form an integral part of the financial statements.



CONSOLIDATED CASH FLOW STATEMENT

for the financial year ended 31 December 2002

	Note	2002 RM'000	2001 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before taxation		33,281	23,984
Adjustments for non-cash items, interests and dividends	23(a)	1,350	16,125
Operating profit before working capital changes		34,631	40,109
(Increase)/Decrease in inventories		(4,425)	35,897
Decrease in trade and other receivables		9,700	11,091
Decrease in trade and other payables		(5,591)	(177,342)
Increase in amount due to associated companies		428	-
Cash generated from/(used in) operations		34,743	(90,245)
Tax paid		(9,906)	(8,673)
Interest received		822	1,753
Interest paid		(2,380)	(3,535)
Net cash inflow/(outflow) from operating activities		23,279	(100,700)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		494	725
Purchase of property, plant and equipment		(4,363)	(2,556)
Proceeds from disposal of investment in an associated company		-	900
Dividend received from an associated company		3,294	1,816
Decrease in amount due from ultimate holding company		-	6
Interest received		18	111
Net cash (outflow)/inflow from investing activities		(557)	1,002
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		26	82,658
Net (decrease)/increase in borrowings		(9,865)	31,164
Decrease in amount due to associated companies		-	(1,394)
Interest received		27	-
Interest paid		(2,381)	(4,140)
Dividends paid		(6,353)	(6,352)
Net cash (outflow)/inflow from financing activities		(18,546)	101,936
Net increase in cash and cash equivalents		4,176	2,238
Cash and cash equivalents at beginning of the financial year		1,884	(354)
Cash and cash equivalents at end of the financial year	23(b)	6,060	1,884

The accompanying notes form an integral part of the financial statements.



CASH FLOW STATEMENT

for the financial year ended 31 December 2002

	Note	2002 RM'000	2001 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before taxation		17,758	49,323
Adjustments for non-cash items, interests and dividends	23(a)	(16,072)	(48,448)
Operating profit before working capital changes		1,686	875
(Increase)/Decrease in other receivables		(252)	610
Increase/(Decrease) in other payables		36	(182,012)
Cash generated from/(used in) operations		1,470	(180,527)
Tax paid		-	(420)
Net cash inflow/(outflow) from operating activities		1,470	(180,947)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		178	2
Purchase of property, plant and equipment		(670)	(2)
Proceeds from disposal of unquoted investment in an associated company		-	900
Decrease in amount due from ultimate holding company		-	6
Decrease in amount due from subsidiary companies		905	11,796
Decrease in amount due from an associated company		1	42
Dividend received from an associated company		3,294	1,816
Dividend received from subsidiary companies		15,184	35,300
Interest received		2	111
Net cash inflow from investing activities		18,894	49,971
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares		26	82,658
Net (decrease)/increase in borrowings		(9,375)	56,875
(Decrease)/Increase in amount due to subsidiary companies		(2,241)	1,939
Interest received		28	-
Interest paid		(2,445)	(4,140)
Dividends paid		(6,353)	(6,352)
Net cash (outflow)/inflow from financing activities		(20,360)	130,980
Net increase in cash and cash equivalents		4	4
Cash and cash equivalents at beginning of the financial year		7	3
Cash and cash equivalents at end of the financial year	23(b)	11	7

The accompanying notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

31 December 2002

1. BASIS OF ACCOUNTING

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

The financial statements comply with the applicable accounting standards in Malaysia and the provisions of the Companies Act, 1965.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating activities so as to obtain benefits from their activities. The subsidiary companies are consolidated based on the merger method of accounting in accordance with MASB Standard 21 - Business Combinations, except for AJE Best-On Sdn Bhd, Anshin Casting Industries Sdn Bhd, Lian Tiong Steel Fabrication & Civil Engineering Sdn Bhd, Anshin Precision Industries Sdn Bhd, Saga Makmur Sdn Bhd and Anshin Steel Service Centre Sdn Bhd which are consolidated based on the acquisition method of accounting.

Under the merger method of accounting, the results of the subsidiary companies are combined throughout the current and previous financial years.

Under the acquisition method of accounting, the results of the subsidiary companies acquired during the financial year are included in the consolidated income statement from the date of acquisition. All inter-company balances and transactions and unrealised surpluses and deficits on transactions between group companies have been eliminated on consolidation. Where necessary, accounting policies for subsidiary companies have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

Goodwill and reserve arising on consolidation represents the difference between the purchase price and fair value of the net assets of the subsidiary companies acquired, as applicable. Goodwill on consolidation is amortised over a period of ten years. Goodwill is written down immediately through the income statement if there is a permanent diminution in its value. Reserve on consolidation is not amortised.

(b) Associated companies

A company, other than a subsidiary company, in which the Group has a long term equity investment of between 20% and 50% and where the Group has representation on the Board and is in a position to exercise significant influence is accounted for as an associated company.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Associated companies (cont'd)

The Group's investment in associated companies are accounted for under the equity method of accounting based on audited or management financial statements of the associated companies made up to the Group's financial year end. The equity method of accounting involves recognising in the income statement the Group's share in the results of associated companies for the financial year. The Group's investment's in associated companies is carried in the balance sheet at an amount that reflects its share of the net assets of the associated companies and includes premium on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

Unrealised gain on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies within the Group.

(c) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the assets recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use.

An impairment loss is charged to the income statement unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (cont'd)

Surpluses arising from revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in the carrying amount is charged to the income statement.

Gains or losses arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the income statement.

Freehold land and capital work-in-progress are not amortised. Leasehold land is amortised over the period of the leases ranging from 60 to 99 years.

Depreciation of the other assets is provided on the straight line or production volume basis to write off the cost of each asset over its estimated useful life.

The principal annual depreciation rates used are:

Buildings	2%
Plant, machinery, tools and equipment	6.67% - 50% / production volume
Furniture, fittings and office equipment	10% - 33.3%
Motor vehicles	20%

Capital work-in-progress represents assets under construction and are stated at cost. Cost comprises cost of plant and equipment and other direct costs incurred for the construction of the assets.

The Company has applied the transitional provisions of International Accounting Standards 16 (revised) Property, Plant and Equipment as adopted by Malaysian Accounting Standards Board which allow the freehold land, long leasehold land and buildings to be stated at their 1996 valuation less depreciation.

(e) Investments

Investment in subsidiary companies and associated companies in the Company's financial statements and other investments are stated at cost and allowance is made where the Directors are of the opinion that there is a permanent diminution in value.

(f) Intangible assets

Intangible assets comprises preliminary, pre-operating and pre-commercial production expenses and is amortised on a straight line basis over a period of ten years upon commencement of operation or commercial production. These expenses will be written off if future economic benefits relating to the deferred expenditure cannot be determined with reasonable certainty.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Intangible assets (cont'd)

Preliminary and pre-operating expenses are written off in the financial year in which it is incurred.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of raw materials, comprises the original purchase price plus costs incurred in bringing the inventories to their present locations and conditions. The cost of finished goods comprise the cost of raw materials, direct labour, direct charge and a proportions of production overheads.

Inventories of properties are stated at lower of cost and net realisable value. Cost is determined on specific identification method.

Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, bank overdraft, demand deposit and other short-term and highly liquid investments which are readily convertible to cash with insignificant risk of changes in value.

(i) Receivables

Specific allowances are made for doubtful debts which have been individually reviewed and identified as bad or doubtful. In addition, general allowances are made to cover possible losses which are not specifically identified.

(j) Deferred taxation

Allowance is made, on the liability method, for taxation deferred by capital allowances and other timing differences except where the tax effects of such timing differences are expected to be deferred indefinitely.

Deferred tax benefit is only recognised when there is a reasonable expectation of realisation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Foreign currency

The financial statements are stated in Ringgit Malaysia.

Transactions in foreign currencies are converted into Ringgit Malaysia at the rates of exchange ruling at the transaction dates or at contracted rates where applicable. Monetary assets and liabilities in foreign currencies at the financial year end are translated into Ringgit Malaysia at the rates of exchange ruling at that date or at contracted rates, where applicable. All exchange differences arising therefrom are included in the income statement.

The principal closing rates used in the translation of foreign currency amounts are as follows:

Foreign currency	2002 RM	2001 RM
1 USD	3.800	3.800
1 SGD	2.160	2.050

(l) Revenue recognition

Revenue from sales of goods or services are recognised when the goods are delivered or upon performance of services.

Interest income and management fee income are recognised on an accrual basis unless collectibility is in doubt.

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Dividend income from subsidiary companies and other investments are recognised when declared to be payable.

(m) Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Capital work-in- progress	Plant, machinery, tools and equipment	Furniture, fittings and office equipment	Motor vehicles	Total
RM'000						
GROUP						
COST/VALUATION						
At 1 January						
2002	149,042	42	117,791	6,053	6,823	279,751
Additions	83	680	1,177	781	1,642	4,363
Disposals	-	-	(143)	(22)	(1,121)	(1,286)
Written off	-	-	-	(58)	-	(58)
At 31 December						
2002	149,125	722	118,825	6,754	7,344	282,770
ACCUMULATED DEPRECIATION						
At 1 January						
2002	14,320	-	85,041	4,364	5,473	109,198
Charge for the financial year	1,800	-	6,319	623	658	9,400
Disposals	-	-	(130)	(18)	(1,081)	(1,229)
Written off	-	-	-	(46)	-	(46)
At 31 December						
2002	16,120	-	91,230	4,923	5,050	117,323
NET BOOK VALUE						
At 31 December						
2002	133,005	722	27,595	1,831	2,294	165,447
At 31 December						
2001	134,722	42	32,750	1,689	1,350	170,553
Depreciation charge for the financial year ended 31 December						
2001	1,829	-	6,742	717	982	10,270

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Analysis of land and buildings are as follows:

	Freehold land	Long term leasehold land	Buildings	Total
RM'000				
GROUP				
COST/VALUATION				
At 1 January 2002	16,261	76,631	56,150	149,042
Additions	-	-	83	83
Disposals	-	-	-	-
At 31 December 2002	16,261	76,631	56,233	149,125
Representing item:				
At cost	16,133	26,855	34,572	77,560
At valuation	128	49,776	21,661	71,565
	16,261	76,631	56,233	149,125
ACCUMULATED DEPRECIATION				
At 1 January 2002	-	3,941	10,379	14,320
Charge for the financial year	-	750	1,050	1,800
Disposals	-	-	-	-
At 31 December 2002	-	4,691	11,429	16,120
NET BOOK VALUE				
At 31 December 2002	16,261	71,940	44,804	133,005
At 31 December 2001	16,261	72,690	45,771	134,722
Depreciation charge for the financial year ended 31 December 2001	-	749	1,080	1,829

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Land and buildings	Furniture, fittings and office equipment	Motor vehicles	Total
RM'000				
COMPANY				
COST				
At 1 January 2002	63,330	1,066	1,623	66,019
Additions	-	16	654	670
Disposals	-	(9)	(400)	(409)
Written off	-	(8)	-	(8)
At 31 December 2002	63,330	1,065	1,877	66,272
ACCUMULATED DEPRECIATION				
At 1 January 2002	3,325	968	1,549	5,842
Charge for the financial year	636	51	164	851
Disposals	-	(8)	(400)	(408)
Written off	-	(8)	-	(8)
At 31 December 2002	3,961	1,003	1,313	6,277
NET BOOK VALUE				
At 31 December 2002	59,369	62	564	59,995
At 31 December 2001	60,005	98	74	60,177
Depreciation charge for the financial year ended 31 December 2001	637	180	278	1,095



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Analysis of land and buildings are as follows:

	Freehold land	Long term leasehold land	Buildings	Total
RM'000 COMPANY				
COST				
At 1 January 2002	16,133	26,131	21,066	63,330
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2002	16,133	26,131	21,066	63,330
ACCUMULATED DEPRECIATION				
At 1 January 2002	-	1,127	2,198	3,325
Charge for the financial year	-	215	421	636
At 31 December 2002	-	1,342	2,619	3,961
NET BOOK VALUE				
At 31 December 2002	16,133	24,789	18,447	59,369
At 31 December 2001	16,133	25,004	18,868	60,005
Depreciation charge for the financial year ended 31 December 2001	-	215	422	637

As at 31 December 2002, the capital work-in-progress of a subsidiary company had been completed and are under testing phase. The Directors do not foresee any substantial cost to be incurred from the testing phase to actual usage.

The valuations were made by the Directors based on independent valuation reports carried out by firms of professional valuers and surveyors on an open market value basis.

The issuance of titles for certain land and buildings of the Group are pending as at 31 December 2002.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Directors have applied the transitional provisions of International Accounting Standards 16 (revised) Property, Plant and Equipment as adopted by Malaysian Accounting Standards Board which allow the freehold land, long leasehold land and buildings to be stated at their 1996 valuation less depreciation. Accordingly, these valuations have not been updated. The freehold land, long leasehold land and buildings if stated at cost less depreciation would amount to RM21.43 million (2001: RM21.58 million).

4. SUBSIDIARY COMPANIES

	COMPANY	
	2002 RM'000	2001 RM'000
Unquoted shares at cost	152,422	152,422

The subsidiary companies are:

Name of Company	Country of Incorporation	Holding In Equity		Principal Activities
		2002	2001	
AJE Best-On Sdn Bhd	Malaysia	#100%	#100%	Trading in hardware, steel and iron products and building and construction materials of all kinds
Ann Joo Metal Sdn Bhd	Malaysia	100%	100%	Trading, retailing, importing, exporting and supplying of all kinds of metal products
Ann Joo (Sarawak) Sdn Bhd *	Malaysia	100%	100%	Trading in hardware and steel materials
Ann Joo Trading Sdn Bhd	Malaysia	100%	100%	Trading, retailing and supplying of all kinds of building and construction materials
Anshin Casting Industries Sdn Bhd	Malaysia	#100%	#100%	Manufacturing and trading of cast iron products, sluice valves and other steel related products
Anshin Precision Industries Sdn Bhd *	Malaysia	59%	59%	Manufacturing and trading in precision press parts



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Country of Incorporation	Holding In Equity		Principal Activities
		2002	2001	
Anshin Steel Industries Sdn Bhd	Malaysia	100%	100%	Manufacturing, sales and distribution of steel and iron products
Anshin Steel Service Centre Sdn Bhd	Malaysia	60%	60%	Operations of a steel service centre
Lian Tiong Steel Fabrication & Civil Engineering Sdn Bhd *	Malaysia	#100%	#100%	Letting of properties
Saga Makmur Industri Sdn Bhd	Malaysia	51%	51%	Steel bar service centre and trading of steel related products
Saga Makmur Sdn Bhd	Malaysia	100%	100%	General merchants, manufacturers and exporters (yet to commence operations)

Holding in equity by subsidiary companies.

* Financial statements of subsidiary companies as at 31 December 2002 not audited by Ong Boon Bah & Co.

5. ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At cost:				
Unquoted shares in Malaysia at cost	7,350	7,350	5,550	5,550
Allowance for diminution in value	(1,800)	(1,800)	-	-
	5,550	5,550	5,550	5,550
Quoted shares in Malaysia at cost	203,399	203,399	203,399	203,399
	208,949	208,949	208,949	208,949
Share of retained profit/(losses)	4,832	(3,124)	-	-
	213,781	205,825	208,949	208,949
Market value of quoted shares	115,042	70,842	115,042	70,842



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. ASSOCIATED COMPANIES (CONT'D)

The Group's interest in the associated companies are analysed as follows:

	GROUP	
	2002 RM'000	2001 RM'000
Share of net assets	170,241	159,813
Premium on acquisition net of amortisation of RM5.916 million (2001: RM3.443 million)	43,540	46,012
	213,781	205,825

The associated companies are:

Name of Company	Country of Incorporation	Holding In Equity		Accounting Year End	Principal Activities
		2002	2001		
ACSAN Steel Service Centre Sdn Bhd (Note 27 (a))	Malaysia	37%	37%	31 December	Steel service centre
Daian Technical Industries Sdn Bhd *	Malaysia	#36%	#36%	31 December	Manufacturing of die tooling
Malayawata Steel Berhad *	Malaysia	30%	30%	31 March	Mini steel mill and property investment holding company

All the investment in a quoted associated company has been placed as security for a credit facility of the Company.

Holding in equity by a subsidiary company.

* Financial statements of associated companies as at 31 December 2002 not audited by Ong Boon Bah & Co.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENTS

	GROUP	
	2002 RM'000	2001 RM'000
Club memberships at cost	179	179
Amortisation:		
Balance brought forward	(7)	(5)
Current year	(2)	(2)
	170	172
Quoted shares in Malaysia at cost	4	4
Unquoted shares in Malaysia at cost	57	57
	231	233
Market value of quoted shares	1	1

7. INTANGIBLE ASSETS

	GROUP	
	2002 RM'000	2001 RM'000
Goodwill on consolidation	216	216
Cumulative amortisation at 1 January	(134)	(113)
Amortisation for the current financial year	(22)	(21)
	60	82
Intangible assets:		
Preliminary expenses	-	4
Pre-operating expenses	-	7
Pre-commercial production expenses	3,380	3,380
	3,380	3,391
Cumulative amortisation at 1 January	(2,604)	(2,266)
Amortisation for the current financial year	(338)	(338)
Written off during the financial year	-	(11)
	438	776
Total	498	858



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVENTORIES

	GROUP	
	2002 RM'000	2001 RM'000
At cost:		
Raw materials	21,445	23,835
Finished goods	81,607	74,922
Work-in-progress	716	1,223
Consumables	790	700
Properties	1,156	609
	105,714	101,289

9. RECEIVABLES

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Trade receivables	61,586	71,791	-	-
Allowance for doubtful debts	(8,768)	(7,520)	-	-
	52,818	64,271	-	-
Other receivables	234	439	2	2
Allowance for doubtful debts	(30)	(31)	-	-
	204	408	2	2
Deposits	393	138	236	10
Prepayments	2,624	2,121	146	118
Dividend receivable	-	-	-	3,586
Amount due from subsidiary companies	-	-	1,270	2,175
Amount due from associated companies	68	-	1	2
	56,107	66,938	1,655	5,893

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. PAYABLES

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Trade payables	8,940	12,795	-	-
Other payables	1,556	3,872	309	886
Accruals	5,180	4,722	1,183	569
Deposits	378	256	542	543
Amount due to associated companies	1,240	744	-	-
Amount due to subsidiary companies	-	-	-	2,241
	17,294	22,389	2,034	4,239

11. SHORT TERM BORROWINGS

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Unsecured:				
Bank overdrafts	1,855	3,577	-	-
Bills payable	61,782	66,772	-	-
Revolving credits	4,500	-	-	-
	68,137	70,349	-	-
Secured:				
Term loans (Note 14)	22,500	9,375	22,500	9,375
	90,637	79,724	22,500	9,375

The short term borrowings carry interest rates of between 0.25% and 1.25% per annum above the respective bank's prevailing base lending rate or cost of fund.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. SHARE CAPITAL

	GROUP AND COMPANY	
	2002	2001
	RM'000	RM'000
Authorised:		
500,000,000 Ordinary shares of RM1.00 each	500,000	500,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At beginning of the financial year	252,090	168,038
25,000 shares issued pursuant to the Employees' Share Option Scheme (2001: 22,000 shares)	25	22
Nil (2001: 84,030,000 shares issued pursuant to the rights issue exercise)	-	84,030
At end of the financial year	252,115	252,090

As at 31 December 2002, there were 84,030,000 warrants with a right to subscribe for ordinary shares of the Company, on the basis of one new ordinary share for every one warrant held, at the subscription price of RM1.00 per ordinary share, not exercised. These warrant holders may exercise their right at anytime within a period of five (5) years expiring 26 July 2006.

The Company operates an Employees' Share Option Scheme ("the Scheme") for the employees of the Group. The Scheme came into effect on 5 November 1998 and will expire on 4 November 2003. The main features of the Scheme are:

- (a) The maximum number of shares which may be subscribed and allotted under the Scheme shall not be more than ten percentum (10%) in aggregate of the issued and paid-up share capital of the Company at any point of time during the existence of the Scheme.
- (b) Employees must be at least 18 years of age on the offer date and meet the following criteria to participate in the Scheme:
 - (i) a Malaysian citizen who is a confirmed employee and in full time employment of the Group for at least twelve (12) months continuous service.
 - (ii) a non-Malaysian who is employed by the Group under a contract of employment for a duration of at least three (3) years and whose contribution is vital to the Group.
 - (iii) an Executive Director of the Company whose specific grant of option and the related allotment of shares is approved by the shareholders of the Company in a general meeting.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. SHARE CAPITAL (CONT'D)

- (c) The options granted may be exercised by notice in writing to the Company during the period commencing on the offer date and expiring at the end of five (5) years from the commencement date of the Scheme or such shorter periods as may be specifically stated in the offer.
- (d) The options do not grant any right to participate in any share issue of any other company in the Group.
- (e) The exercise price for each ordinary share under the Scheme shall be the average of the highest and lowest market quotation of the shares of the Company as shown in the Daily Official List issued by Kuala Lumpur Stock Exchange for the five (5) market days immediately preceding the offer date or at the par value of the shares, whichever is higher.

The movement of number of options granted and exercised pursuant to the ESOS during the financial year are as follows:

Date granted	Exercise price	Balance as at 01.01.02	Granted	Exercised	Forfeited	Balance as at 31.12.02
11.11.1998	RM1.07	10,157,000	-	24,000	1,074,000	9,059,000
11.02.1999	RM1.11	90,000	-	-	4,500	85,500
11.05.1999	RM1.21	40,500	-	-	4,500	36,000
11.08.1999	RM1.23	222,000	-	-	9,000	213,000
11.11.1999	RM1.23	46,500	-	-	9,000	37,500
11.02.2000	RM1.69	739,500	-	-	142,500	597,000
11.05.2000	RM2.08	292,500	-	-	69,000	223,500
11.08.2000	RM1.69	280,500	-	-	10,500	270,000
11.11.2000	RM1.30	1,153,500	-	-	105,000	1,048,500
11.02.2001	RM1.24	663,000	-	-	54,000	609,000
11.05.2001	RM1.00	1,146,000	-	-	87,000	1,059,000
11.08.2001	RM1.00	184,000	-	-	20,000	164,000
11.11.2001	RM1.00	82,000	-	-	24,000	58,000
11.02.2002	RM1.00	-	314,000	1,000	19,000	294,000
11.05.2002	RM1.14	-	312,000	-	14,000	298,000
11.08.2002	RM1.05	-	135,000	-	4,000	131,000
11.11.2002	RM1.00	-	64,000	-	-	64,000
		15,097,000	825,000	25,000	1,650,000	14,247,000



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. RESERVES

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Non-distributable:				
Share premium	33,296	33,295	54,136	54,135
Capital reserve	2,500	2,500	-	-
Reserve on consolidation	5,289	5,289	-	-
	41,085	41,084	54,136	54,135
Distributable:				
Accumulated profit	105,616	90,693	68,872	61,427
	146,701	131,777	123,008	115,562

14. TERM LOANS

	GROUP AND COMPANY	
	2002 RM'000	2001 RM'000
Term loans - secured	47,500	56,875
Portion repayable within one year and included under short term borrowings (Note 11)	(22,500)	(9,375)
	25,000	47,500

The term loans are repayable over the following periods:

	GROUP AND COMPANY	
	2002 RM'000	2001 RM'000
Within one year	22,500	9,375
From one to two years	12,500	22,500
From two to five years	12,500	25,000
	47,500	56,875

The term loans are secured by the investment in a quoted associated company and carry an interest rate of 1.25% above licensed bank's prevailing cost of fund.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. DEFERRED TAXATION

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
At beginning of the financial year	1,464	1,470	314	314
Net transfer from/(to) income statement	2,531	(6)	(314)	-
At end of the financial year	3,995	1,464	-	314
Amount of timing differences in respect of deferred tax benefit/(deferred tax liabilities) not accounted for:				
- Excess of tax capital allowance of property, plant and equipment	(1,237)	(4,265)	-	-
- Unabsorbed tax losses	3,507	3,343	-	-
- Unabsorbed capital allowances	2,741	2,651	-	-
- Investment tax allowances under Promotion of Investment Act, 1965	1,969	1,969	-	-
	6,980	3,698	-	-
The tax effect of these timing differences	1,954	1,035	-	-

The unabsorbed tax losses, capital allowances and investments tax allowances are subject to agreement with the tax authorities.

16. REVENUE

Revenue for the Group represents the invoiced value of goods sold net of returns and allowances. Intra-group sales amounting to RM32 million (2001: RM48 million) made at market prices, have been eliminated on consolidation.

Revenue for the Company comprises dividend income, rental income and management fee income.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. PROFIT FROM OPERATIONS

Profit from operations is arrived at:

	GROUP		COMPANY	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
After charging:				
Amortisation of:				
- goodwill on consolidation	22	21	-	-
- intangible assets	338	338	-	-
- investment in club memberships	2	2	-	-
Auditors' remuneration				
- current year	58	58	10	10
- prior year	2	1	-	-
Depreciation	9,400	10,270	851	1,095
Directors' remuneration:				
- fees	339	328	215	222
- other emoluments	2,008	1,894	1,460	1,272
Intangible assets written off	-	11	-	-
Property, plant and equipment written off	12	40	-	-
Allowance for doubtful debts	1,320	2,207	-	-
Rental of equipment	45	69	-	-
Staff costs	13,160	14,204	1,221	1,085

And crediting:

Dividend income from:

- subsidiary companies	-	-	15,528	51,908
- associated company	-	-	3,633	1,816

Rental income from:

- subsidiary companies	-	-	5,077	5,164
- associated companies	684	684	104	104
- ultimate holding company	-	12	-	12
- a related company	53	36	53	36
- others	451	1,096	-	-

Interest income from:

- subsidiary companies	-	-	28	2
- others	867	1,864	2	111

Management fee income from:

- subsidiary companies	-	-	43	108
- associated companies	-	104	-	-
- others	12	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. PROFIT FROM OPERATIONS (CONT'D)

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Bad debts written back	48	-	-	-
Gain on disposal of property, plant and equipment	437	180	177	-
Gain on disposal of unquoted investment in an associated company	-	72	-	150
Gain on foreign exchange	48	-	-	-
Allowance for specific doubtful debts written back	73	-	-	-

The estimated money value of benefits provided to the Directors of the Group and of the Company by way of usage of the Group and of the Company's assets and the provision of other benefits amounted to RM112,000 (2001: RM111,000) and RM84,000 (2001: RM83,000) respectively.

18. FINANCE COSTS

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Bank commissions and charges	412	484	8	-
Banker's guarantee commission	46	858	-	851
	458	1,342	8	851
Interest expenses on:				
- subsidiary companies balances	-	-	22	302
- bank overdrafts	175	198	-	-
- bills payable	2,038	3,337	-	-
- term loans	2,423	1,994	2,423	1,994
- others	125	2,146	-	2,146
	5,219	9,017	2,453	5,293



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. TAXATION

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Current year	10,420	20,180	4,030	12,038
Recovery of tax deducted at source on dividend received from subsidiary and associated companies	(4,283)	(13,039)	-	-
Prior years	(201)	262	244	256
Deferred taxation	2,531	(6)	(314)	-
	8,467	7,397	3,960	12,294
Share of taxation of an associated company	1,830	137	-	-
	10,297	7,534	3,960	12,294

The effective tax rate of the Group is higher than statutory tax rate mainly due to certain expenses which are not allowable for tax purposes.

The effective tax rate of the Company is lower than statutory tax rate mainly due to certain tax exempt dividend income received from certain subsidiary companies and an associated company during the financial year.

The Company has an estimated accumulated tax exempt retained profits amounting to RM19.80 million (2001: RM15.88 million) available for the payment of tax exempt dividend. The amount is subject to the agreement with the tax authorities.

The Company has RM16.31 million tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividend out of the balance of retained profits as at 31 December 2002.

These amounts are subject to the agreement with the tax authorities.

20. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's profit after taxation and minority interests of RM21.28 million (2001: RM15.45 million) by the weighted average number of ordinary shares of the Company in issued during the financial year of 252.11 million (2001: 204.43 million).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. EARNINGS PER SHARE (CONT'D)

Fully diluted earnings per share is calculated by dividing the Group's profit after taxation and minority interests of RM21.28 million (2001: RM15.45 million) by the weighted average number of ordinary shares of 258.73 million (2001: 205.28 million) that include ESOS and warrants that would have been exercised at that date.

21. PRIOR YEAR ADJUSTMENTS

During the financial year, the Group and the Company changed its accounting policy on the recognition of liabilities in respect of proposed dividend in compliance with MASB Standard 19, Events After the Balance Sheet Date. In prior years, the amount of dividends that were proposed and declared after the balance sheet date were included as a liability in the financial statements at the balance sheet date. Upon the adoption of MASB 19, the Group and the Company changed this accounting policy to recognise dividends in the financial year when the obligation to make future payments is established. Accordingly, the final dividend is included as a liability in the financial statements after approval by shareholders at the Annual General Meeting.

This change in accounting policy has been accounted for retrospectively and the effect on prior years has been taken up as prior year adjustments in the financial statements.

The effects of the new accounting policy on the financial statements are as follows:

Group	As previously reported RM'000	Effect of change in accounting policy RM'000	As restated RM'000
At 1 January 2001			
Accumulated profit	75,127	6,469	81,596
At 1 January 2002			
Accumulated profit	84,340	6,353	90,693
Proposed dividend	(6,353)	6,353	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. PRIOR YEAR ADJUSTMENTS (CONT'D)

Company	As previously reported RM'000	Effect of change in accounting policy RM'000	As restated RM'000
At 1 January 2001			
Accumulated profit	24,282	6,469	30,751
At 1 January 2002			
Accumulated profit	55,074	6,353	61,427
Proposed dividend	(6,353)	6,353	-

22. DIVIDEND

	GROUP AND COMPANY			
	2002		2001	
	Gross dividend per share (sen)	Amount of dividend, net of tax RM'000	Gross dividend per share (sen)	Amount of dividend, net of tax RM'000
First and final dividend	3.5	6,353	3.5	6,353

The Company has paid a first and final dividend of 3.5 sen per share (less 28% income tax) in respect of the financial year ended 31 December 2001 amounting to RM6,353,298. This is an increase of RM630 over the amount disclosed in the previous Directors' Report due to additional shares issued pursuant to the Employees' Share Option Scheme after the financial year end.

Upon adoption of MASB 19, Events After The Balance Sheet Date, the Group and the Company recognises dividend in the financial year when the obligation to make future payment is established. This represents a change in accounting policy from that of prior years as explained in Note 21.

The Directors recommend a first and final dividend of 6 sen per share (less 28% income tax) in respect of the financial year ended 31 December 2002 amounting to RM10,891,368. The proposed first and final dividend is subject to the shareholders' approval in the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. CASH FLOW STATEMENTS

(a) Adjustments for non-cash items, interests and dividends

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Amortisation of goodwill on consolidation and intangible assets	360	359	-	-
Intangible assets written off	-	11	-	-
Depreciation	9,400	10,270	851	1,095
Interest expenses	4,761	7,675	2,445	4,442
Interest income	(867)	(1,864)	(30)	(111)
Gain on disposal of property, plant and equipment	(437)	(180)	(177)	-
Gain on disposal of unquoted investments	-	(72)	-	(150)
Share of results of associated companies	(13,080)	(2,323)	-	-
Property, plant and equipment written off	12	40	-	-
Allowance for doubtful debts	1,320	2,207	-	-
Amortisation of investment in club memberships	2	2	-	-
Dividend income	-	-	(19,161)	(53,724)
Allowance for specific doubtful debts written back	(73)	-	-	-
Bad debts written back	(48)	-	-	-
	1,350	16,125	(16,072)	(48,448)



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. CASH FLOW STATEMENTS (CONT'D)

(b) Cash and cash equivalents at end of the financial year

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Cash and bank balances	3,877	5,461	11	7
Short term deposits with licensed banks	4,038	-	-	-
Bank overdrafts	(1,855)	(3,577)	-	-
	6,060	1,884	11	7

24. SEGMENT ANALYSIS - GROUP

2002					
	Iron & Steel		Investment Holdings and Property Management	Eliminations	Consolidated
	Trading RM'000	Manufacturing RM'000	RM'000	RM'000	RM'000
REVENUE					
External sales	160,957	187,228	-	-	
Inter-segment sales	1,033	5,582	-	(6,615)	
Total sales	161,990	192,810	-	(6,615)	348,185
RESULT					
Segment result	15,993	11,628	(3,068)		24,553
Finance cost					(5,219)
Interest income					867
Share of results of associated companies					13,080
Taxation					(10,297)
Profit after taxation					22,984



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. SEGMENT ANALYSIS - GROUP (CONT'D)

	2002		Investment Holdings and Property Management RM'000	Eliminations RM'000	Consolidated RM'000
	Iron & Steel Trading RM'000	Manufacturing RM'000			
OTHER INFORMATION					
Segment assets	106,325	135,615	93,972		335,912
Investment in associated companies					<u>213,781</u>
Total segment assets					<u>549,693</u>
Total segment liabilities	46,057	37,338	49,536		132,931
Capital expenditure	6,845	176,161	103,144		286,150
Depreciation	531	7,553	1,316		9,400
Amortisation of goodwill	18	4	-		22
Allowance for diminution in value of investment	-	2	-		2
Amortisation of intangible assets	-	338	-		338

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. SEGMENT ANALYSIS - GROUP (CONT'D)

Reconciliation:

	RM'000
(i) Segment assets:	
Property, plant and equipment	165,447
Investment	231
Intangible assets	498
Current assets	172,140
Less: Tax recoverable	(2,404)
	<u>335,912</u>
(ii) Segment liabilities:	
Current liabilities	108,696
Term loan	25,000
Less: Taxation	(765)
	<u>132,931</u>
(iii) Capital expenditure:	
At cost:	
Property, plant and equipment	282,770
Intangible assets	3,380
	<u>286,150</u>

2001					
	Iron & Steel		Investment Holdings and Property Management	Eliminations	Consolidated
	Trading RM'000	Manufacturing RM'000	RM'000	RM'000	RM'000

REVENUE

External sales	170,205	206,482	-	-	
Inter-segment sales	906	11,699	-	(12,605)	
Total sales	<u>171,111</u>	<u>218,181</u>	<u>-</u>	<u>(12,605)</u>	<u>376,687</u>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. SEGMENT ANALYSIS - GROUP (CONT'D)

2001					
	Iron & Steel		Investment Holdings and Property Management	Eliminations	Consolidated
	Trading RM'000	Manufacturing RM'000	RM'000	RM'000	RM'000
RESULT					
Segment result	18,974	12,879	(3,039)		28,814
Finance cost					(9,017)
Interest income					1,864
Share of results of associated companies					2,323
Taxation					(7,534)
Profit after taxation					16,450
OTHER INFORMATION					
Segment assets	102,984	147,914	94,434		345,332
Investment in associated companies					205,825
Total segment assets					551,157
Total segment liabilities	36,522	54,218	58,873		149,613
Capital expenditure	6,363	173,833	102,935		283,131
Depreciation	570	8,033	1,667		10,270
Amortisation of goodwill	18	3	-		21
Allowance for diminution in value of investment	-	2	-		2
Amortisation of intangible assets	-	338	-		338



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. SEGMENT ANALYSIS - GROUP (CONT'D)

Reconciliation:

	RM'000
(i) Segment assets:	
Property, plant and equipment	170,553
Investment	233
Intangible assets	858
Current assets	175,337
Less: Tax recoverable	(1,649)
	<u>345,332</u>
(ii) Segment liabilities:	
Current liabilities	106,093
Term loan	47,500
Less: Taxation	(3,980)
	<u>149,613</u>
(iii) Capital expenditure:	
At cost:	
Property, plant and equipment	279,751
Intangible assets	3,380
	<u>283,131</u>

No geographical segmental analysis is presented as the Group operates principally in Malaysia.

25. RELATED PARTY TRANSACTIONS

	GROUP	
	2002	2001
	RM'000	RM'000
(a) Sale of goods		
Related parties:		
ACSAN Steel Service Centre Sdn Bhd	20	24
Hitec Metal Sdn Bhd	919	588
Ipmuda Berhad	11	135
Leong Chong Steel Sdn Bhd	1,625	613
Malayawata Steel Berhad	10,875	16,437
Silveron Builders Sdn Bhd	485	436



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. RELATED PARTY TRANSACTIONS (CONT'D)

	GROUP	
	2002 RM'000	2001 RM'000
Success Metal (M) Sdn Bhd	-	442
Syn Tai Hung Trading Sdn Bhd	-	272
United Power Matrix Sdn Bhd	12	-
(b) Purchase of goods		
Related parties:		
ACSAN Steel Service Centre Sdn Bhd	4,279	5,301
Daian Technical Industries Sdn Bhd	3,052	2,738
Hitec Metal Sdn Bhd	-	113
Leong Chong Steel Sdn Bhd	211	62
Malayawata Steel Berhad	65,476	47,269
Marubeni Corporation	-	14,059
Marubeni Itochu Steel Inc	17,529	1,198
Scandata Systems (M) Sdn Bhd	448	178
United Power Matrix Sdn Bhd	48	-
(c) Other related party transactions:		
Management fee income:		
ACSAN Steel Service Centre Sdn Bhd	-	104
Management fee paid to:		
Sanritsu Kogyo Co. Ltd	156	156
Rental income:		
ACSAN Steel Service Centre Sdn Bhd	580	280
Ann Joo Corporation Sdn Bhd	-	12
Ann Joo Land Sdn Bhd	53	36
Malayawata Steel Berhad	104	104

ACSAN Steel Service Centre Sdn Bhd, Daian Technical Industries Sdn Bhd and Malayawata Steel Berhad are associated companies of Ann Joo Resources Berhad.

Ann Joo Corporation Sdn Bhd is the ultimate holding company of Ann Joo Resources Berhad.

Ann Joo Land Sdn Bhd represents a subsidiary company of the ultimate holding company, Ann Joo Corporation Sdn Bhd.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. RELATED PARTY TRANSACTIONS (CONT'D)

Hitec Metal Sdn Bhd and Silveron Builders Sdn Bhd represent the associated companies of the ultimate holding company, Ann Joo Corporation Sdn Bhd.

Ipmuda Berhad is the holding company of Modular Equity Sdn Bhd, a minority shareholder of a subsidiary company, Saga Makmur Industri Sdn Bhd.

Marubeni Itochu Steel Inc is a minority shareholder of a subsidiary company, Anshin Steel Service Centre Sdn Bhd.

Marubeni Corporation is the shareholder of Marubeni Itochu Steel Inc, a minority shareholder of a subsidiary company, Anshin Steel Service Centre Sdn Bhd.

Sanritsu Kogyo Co. Ltd is a minority shareholder of a subsidiary company, Anshin Precision Industries Sdn Bhd.

Scandata Systems (M) Sdn Bhd is a company in which Mr Lim Sin Seong, a director of Ann Joo Resources Berhad is also a director and has financial interests.

Success Metal (M) Sdn Bhd and Leong Chong Steel Sdn Bhd are companies substantially owned by the sons of Mr Lim Seng Chee and Mr Lim Seng Qwee respectively who are directors of Ann Joo Resources Berhad.

Syn Tai Hung Trading Sdn Bhd is a minority shareholder of a subsidiary company, Saga Makmur Industri Sdn Bhd.

United Power Matrix Sdn Bhd is a company where the son-in-law of Mr Lim Seng Qwee has substantial interest.

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no more favourable to the related parties than those arranged with independent third parties.

The amounts due from associated companies which arose mainly from inter-company payments made on behalf are unsecured, interest free and have no fixed repayment terms.

The amounts due from subsidiary companies which arose mainly from inter-company advances and rental receivables are unsecured, interest free and have no fixed repayment terms.

The amounts due to subsidiary companies which arose mainly from inter-company advances and payments made on behalf are unsecured, carry interest at rates ranging from 3.33% to 4.35% per annum and have no fixed repayment terms.

The amounts due to associated companies which arose mainly from trade transactions and payments made on behalf are unsecured, interest free and have fixed repayment terms.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. CAPITAL COMMITMENT

As at the end of the financial year, the Group and the Company have the following capital commitment:

	GROUP		COMPANY	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Approved and contracted for	2,500	680	2,500	-

27. SUBSEQUENT EVENT

- (a) Ann Joo Resources Berhad (AJR) has on 10 January 2003 entered into a Sale of Shares Agreement with Ann Yak Siong Hardware Sdn Bhd for the acquisition of additional 3,000,000 ordinary shares of RM1.00 each in the issued and paid up share capital of ACSAN Steel Service Centre Sdn Bhd (ACSAN) at the purchase consideration of RM3,150,000.

On completion of the acquisition at 14 January 2003, AJR hold a total of 8,550,000 ordinary shares of RM1.00 each representing 57% of the total issued and paid up capital of ACSAN thus transforming ACSAN to be a subsidiary of AJR.

- (b) On 7 January 2003, Anshin Steel Industries Sdn Bhd (Anshin), a wholly-owned subsidiary of AJR, had entered into a conditional Sale and Purchase Agreement (SPA) with Malayawata Steel Berhad (Malayawata), an associated company of AJR, for the disposal of its Rolling Mill Plant for a cash consideration of RM34,500,000.

In accordance with provision of the above SPA, Malayawata and Anshin had simultaneously with the execution of the SPA, executed a conditional tenancy agreement in which Malayawata will rent from Anshin a portion of the land measuring 300,000 square feet together with the structures erected thereon at RM183,960 per month.

These are subject to the approval of the relevant authorities and shareholders of Malayawata.

28. CORPORATE INFORMATION

- (a) The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Kuala Lumpur Stock Exchange.
- (b) Registered office and principal place of business

The registered office and principal place of business of the Company are both located at Wisma Ann Joo, Lot 19391, Bt 8½, Jalan Klang Lama, 46000 Petaling Jaya, Selangor Darul Ehsan.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. CORPORATE INFORMATION (CONT'D)

(c) Number of employees

	GROUP		COMPANY	
	2002	2001	2002	2001
Total number of employees as at the end of the financial year	587	674	19	17

(d) Ultimate holding company

The directors regard Ann Joo Corporation Sdn Bhd, a company incorporated in Malaysia, as its ultimate holding company.

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

(a) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal trading activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). Exposures to foreign currency risks are monitored on an ongoing basis.

(b) Interest rate risk

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

(c) Credit risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. This is done through reference to published credit ratings. In the absence of published ratings, an internal credit review is conducted if the credit risk is material.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**(d) Liquidity and Cash Flow risks**

The Group seeks to achieve a balance between certainty of funding even in difficult times for the markets or the Group and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected net borrowing needs are covered by committed facilities. Also, the objective for debt maturity is to ensure that the amount of debt maturing in any one year is not beyond the Group's means to repay and refinance.

30. FINANCIAL INSTRUMENTS**(a) Interest rate risk**

The interest rate risk that financial instruments's values will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities are as follows:

	Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000	Effective interest rate during the year %
GROUP					
2002					
Financial assets:					
Deposits, cash and bank balances	7,915	-	-	7,915	2 - 3
Financial liabilities:					
Borrowings	90,637	25,000	-	115,637	3 - 7
2001					
Financial assets:					
Deposits, cash and bank balances	5,461	-	-	5,461	2 - 3
Financial liabilities:					
Borrowings	79,724	47,500	-	127,224	3 - 7



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. FINANCIAL INSTRUMENTS (CONT'D)

	Less than 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000	Effective interest rate during the year %
COMPANY					
2002					
Financial assets:					
Cash and bank balances	11	-	-	11	-
Financial liabilities:					
Borrowings	22,500	25,000	-	47,500	4 - 5
2001					
Financial assets:					
Cash and bank balances	7	-	-	7	-
Financial liabilities:					
Borrowings	9,375	47,500	-	56,875	4 - 5

(b) Credit risk

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the balance sheet.

The Group and Company have no significant concentration of credit risk with any single counterparty.

At 31 December 2002, the Group and Company had no significant credit risk associated with its exposure to potential counterparty failure to settle outstanding foreign currency and interest rate hedge transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values

The carrying amounts and estimated fair values of financial instruments of the Group and Company as at 31 December 2002 are as follows:

	GROUP		COMPANY	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
2002				
Financial assets:				
Deposits, cash and bank balances	7,915	7,915	11	11
Trade and other receivables	53,415	53,415	238	238
Amount due from subsidiary companies	-	-	1,270	1,270
Amount due from associated companies	68	68	1	1
Investments	231	231	-	-
Financial liabilities:				
Trade and other payables	16,054	16,054	2,034	2,034
Amount due to associated companies	1,240	1,240	-	-
Borrowings	115,637	115,637	47,500	47,500
2001				
Financial assets:				
Deposits, cash and bank balances	5,461	5,461	7	7
Trade and other receivables	64,817	64,817	3,598	3,598
Amount due from subsidiary companies	-	-	2,175	2,175
Amount due from associated companies	-	-	2	2
Investments	233	233	-	-
Financial liabilities:				
Trade and other payables	21,645	21,645	1,998	1,998
Amount due to subsidiary companies	-	-	2,241	2,241
Amount due to associated companies	744	744	-	-
Borrowings	127,224	127,224	56,875	56,875



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. FINANCIAL INSTRUMENTS (CONT'D)

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

i. Deposits, cash and bank balances

The carrying amounts of deposits, cash and bank balances approximate fair values due to the relatively short term maturity of these instruments.

ii. Trade and other receivables and payables

The carrying amounts of trade receivables and payables subject to normal trade credit terms approximate fair values. The carrying amounts of other receivables and payables are reasonable estimates of fair value because of their short maturity.

iii. Amount due from/to subsidiary and associated companies.

The carrying amounts of amount due from/to subsidiary and associated companies are reasonable estimates of fair value because of their short maturity.

iv. Investments

The fair values of these investments are estimated based on the expected cash flows or the underlying net asset base on each investment.

v. Borrowings

The carrying amount of short term borrowings approximates fair value because of the short maturity period. The fair value of long term borrowings is estimated based on the current rates available for borrowings with the same maturity profile.

31. COMPARATIVE FIGURES

Comparative figures which have been restated to conform with current financial year presentation were :

(a) Proposed dividends

The treatment of proposed dividends and net tangible assets in accordance with MASB 19, Events After the Balance Sheet Date, where proposed dividends are recognised as a liability in the financial statements after the approval by shareholders at the Annual General Meeting (Notes 21 and 22).

(b) Dividend income

Dividend income in respect of the Company amounted to RM53.725 million had been reclassified to Revenue from Other Operating Income.



RECURRENT RELATED PARTY TRANSACTIONS

Set out below are the recurrent related party transactions of the Company for the financial year ended 31 December 2002 that were carried out in its normal course of business on an arm's length basis :

Related Parties	Transacting Party	Nature of Transaction	Actual value (RM)
Malayawata Steel Berhad ("MYS")	Ann Joo Group	(1) Sale of steel related products	10,864,698
		(2) Purchase of steel related products	63,542,648
		(3) Lease of property to MYS	104,430
			<u>74,511,776</u>
AJC Group	Ann Joo Group	(1) Sale of steel related products	1,404,664
		(2) Lease of office space	53,400
			<u>1,458,064</u>
Leong Chong Steel Sdn Bhd	Ann Joo Group	(1) Sale of steel related products	1,624,923
		(2) Purchase of steel related products	211,366
			<u>1,836,289</u>
Anshin Steel Service Centre Sdn Bhd ("ASSC")	Ann Joo Group	(1) Sale of steel related products	10,443,159
		(2) Purchase of steel related products	640,546
		(3) Lease of property to ASSC	1,457,338
		(4) Management services provided to ASSC	48,000
		(5) Storage rental paid to ASSC	10,039
			<u>12,599,082</u>



RECURRENT RELATED PARTY TRANSACTIONS (CONT'D)

Related Parties	Transacting Party	Nature of Transaction	Actual value (RM)
Marubeni-Itochu Steel Inc.	Ann Joo Group	(1) Purchase of steel related products	17,529,144
Daian Technical Industries Sdn Bhd	Ann Joo Group	(1) Purchase and repair of die tooling	3,052,591
Anshin Precision Industries Sdn Bhd ("API")	Ann Joo Group	(1) Purchase of steel related products	252,865
		(2) Lease of property to API	1,501,024
			<u>1,753,889</u>

Ann Joo Group comprises of Ann Joo Resources Berhad and its subsidiaries and associated companies.

AJC Group comprises of Ann Joo Corporation Sdn Bhd and its subsidiaries and associated companies where Ann Joo Corporation Sdn Bhd is the ultimate holding company of Ann Joo Resources Berhad.

Malayawata Steel Berhad and Daian Technical Industries Sdn Bhd are associated companies of Ann Joo Resources Berhad.

Anshin Steel Service Centre Sdn Bhd and Anshin Precision Industries Sdn Bhd are subsidiary companies of Ann Joo Resources Berhad.

Marubeni-Itochu Steel Inc. is the shareholder holding 40% and 11.69% respectively in (2) subsidiary companies of Ann Joo Resources Berhad, namely Anshin Steel Service Centre Sdn Bhd and Anshin Precision Industries Sdn Bhd.

Leong Chong Steel Sdn Bhd is a company substantially owned by the son of Mr Lim Seng Qwee, a director of Ann Joo Resources Berhad.



PROPERTIES OWNED

by Ann Joo Resources Berhad and its subsidiaries as at 31 December 2002

Location	Tenure	Description	Land Area / Built-up area	Existing Use	Approximate Age of Building (No. of Years)	At Valuation / Cost RM'000	NBV RM'000	Date of Last Revaluation	Date of Acquisition
Lot 19391 Mukim and District of Petaling	Freehold	Industrial Land & Building	1.2965 hectares / 9,996 sq.m.	Office and Warehouse	20	18,669	17,923	-	09-09-1996
Lot 1508 Mukim and District of Petaling	Freehold	Unconverted Agriculture Land	0.658 hectares / -	Open Yard Warehouse	-	3,580	3,576	-	09-09-1996
HS (D) 5044 Tapak Perusahaan Shah Alam District of Petaling	Leasehold (expiring on 25.03.2070)	Industrial Land & Building	4.150 hectares / 30,949 sq.m.	Factory, Office and Store	11	30,618	27,408	-	09-09-1996
Lot 55 - 59 Section 4 Phase 2A Pulau Indah Industrial Park West Port	Leasehold (99 years upon issue of qualified title)	Industrial Land	5.135 hectares / -	Vacant Land	-	10,464	10,464	-	05-05-1998
H.S.D. 711 Tapak Perusahaan Shah Alam District of Petaling	Leasehold (expiring on 29.06.2076)	Industrial Land & Building	1.658 hectares / 12,709 sq.m.	Factory and Office	12	15,816	11,344	25-10-1995	-
Lot 9 Persiaran Perusahaan Section 23 Shah Alam	Leasehold (expiring on 30.05.2098)	Industrial Land & Building	5.3255 hectares / 26,521 sq.m.	Factory and Office	9	39,376	33,566	25-10-1995	-
Lot 11 Persiaran Perusahaan Section 23 Shah Alam	Leasehold (expiring on 30.05.2098)	Industrial Land & Building	5.9908 hectares / 9,234 sq.m.	Factory and Office	6	28,285	26,646	25-10-1995	-
Level 09 Block No. SB-11 The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur	Leasehold (99 years upon issue of strata title)	Office Lot	188 sq.m.	Vacant	3	527	517	-	14-04-1999
Lot PT 3707 Mukim of Pasir Panjang Port Dickson	Freehold	Detached House	528 sq.m. / 195 sq.m.	Staff Recreation	17	205	194	25-10-1995	-
Lot 2171 Section 66 Kuching	Leasehold (expiring on 04.02.2050)	Industrial Land & Building	4,059 sq.m. / 1,522 sq.m.	Office and Warehouse	8	1,585	1,367	25-10-1995	-
Sub-Total (value of properties held as fixed assets)						149,125	133,005		



PROPERTIES OWNED (CONT'D)

Location	Tenure	Description	Land Area / Built-up area	Existing Use	Approximate Age of Building (No. of Years)	At Valuation / Cost RM'000	NBV RM'000	Date of Last Revaluation	Date of Acquisition
Parcel No. C-7-10 Type 12 Storey No. 7th Floor Building No. Block C Phase 1 Zone G Sri Alam Condominium Kelab Golf Sultan Abdul Aziz Shah	Leasehold (expiring on 2091)	Condominium	245 sq.m.	Vacant	4	546	546	-	13-09-2000
F-12-04 Washington Tower Meadow Park 3 Jalan 1/30 Off Jalan Kelang Lama 58200 Kuala Lumpur	Freehold	Apartment	1,120 sq.ft.	Vacant	4	163	163	-	17-07-1998
No. 7-20 Tingkat 7 Building No. T1 Turf View Apartment Taman Kuda Emas Serdang Jaya Section 6 Selangor	Leasehold (expiring on 28.11.2092)	Apartment	946 sq.ft.	Vacant	5	156	156	-	16-08-1999
704 Block A Tiara Kelana Condo. Jalan SS 7/19 Taman Sri Kelana Kelana Jaya 47301 Petaling Jaya	Leasehold	Apartment	1,725 sq.ft.	Vacant	7	291	291	-	22-03-2001
Sub-Total (value of properties held as inventories)						1,156	1,156		
Total (value of properties held as fixed assets and inventories)						150,281	134,161		



STATISTICAL REPORTS

as at 29 April 2003

ANALYSIS OF SHAREHOLDINGS

Authorised share capital	: RM500,000,000
Issued and paid up share capital	: RM252,115,000
Class of shares	: Ordinary shares of RM1.00 each
Voting shares	: One (1) vote per ordinary share

No. of Holders	Holdings	Total Holdings	%
53	1 – 999	3,795	0.00
6,342	1,000 – 10,000	15,443,690	6.13
442	10,001 – 100,000	11,957,000	4.74
63	100,001 – 12,605,749	60,199,445	23.88
1	12,605,750 AND ABOVE	164,511,070	65.25
Total	6,901	252,115,000	100.00

LIST OF TOP 30 SHAREHOLDERS

Name	No. of Shares Held	%
1. ANN JOO CORPORATION SDN BHD	89,238,972	35.40
2. ANN JOO CORPORATION SDN BHD	75,272,098	29.86
3. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>QUALIFIER: ALLIANCE MERCHANT NOMINEES (TEMPATAN) SDN BHD FOR ASEANIA INDUSTRIES SDN. BHD.</i>	6,742,703	2.67
4. MECROFLEX SDN BHD	4,776,876	1.89
5. LIM CHAI BENG	3,100,000	1.23
6. TEOH CHEOH THIN @ CHUNG SOO CHERN	3,013,000	1.20
7. YOONG YAN PIN	3,000,000	1.19
8. MEGAH EFEKTIF SDN. BHD.	3,000,000	1.19
9. DATO' SOO LAI SING	2,811,000	1.11
10. LAI SING DEVELOPMENT SDN BHD	2,680,668	1.06
11. YAP KIM PIN	2,376,115	0.94
12. THUN LIAN @ TEOH SHOK LIAN	1,831,000	0.73
13. UNITED HARDWARE HOLDINGS SENDIRIAN BERHAD	1,827,505	0.72
14. LIM SENG QWEE	1,801,648	0.71
15. LIM SENG CHEE	1,744,500	0.69
16. ABDUL KUDUS BIN DAHALAN	1,500,000	0.59
17. TOH TUAN SUN	1,380,244	0.55
18. PANDU SINAR SDN BHD	1,261,455	0.50
19. LOU SWEE YOU	1,020,000	0.40
20. TAN GUAT POH	1,000,000	0.40
21. PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR OMEGA SECURITIES SDN BHD (SAM)</i>	1,000,000	0.40
22. PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR SU MING KEAT (E-SS2/SEA)</i>	900,000	0.36
23. SEE HUP CONSOLIDATED BERHAD	750,000	0.30
24. HONG LEONG FINANCE BERHAD <i>QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR MOHAMMAD RIZAL BIN MUSA</i>	750,000	0.30
25. SOO KIM	668,666	0.27
26. KOAY KANG CHUWAN	661,000	0.26
27. YANG POUY SOON	603,000	0.24
28. LIM KIAM LAM	591,000	0.23
29. TEOH SOD BIN	584,000	0.23
30. SOO CHAM BOCK	583,666	0.23
	216,469,116	85.85



STATISTICAL REPORTS (CONT'D)

ANALYSIS OF WARRANT HOLDINGS

No. of Warrants in Issue	:	84,030,000
Exercise Price of Warrants	:	RM1.00
Expiry Date of Warrants	:	26 July 2006
Voting Rights	:	Every Warrant Holder present in person at any such meeting or adjourned meeting shall be entitled by a show of hands to one (1) vote and every Warrant Holder present in person or by proxy at any meeting shall be entitled on a poll to one (1) vote for each New Share to which such holder would be entitled at the Subscription Price on the exercise in full of the Subscription Rights represented by such Warrant Holders.

No. of Holders	Holdings	Total Holdings	%
72	1 – 999	35,600	0.04
766	1,000 – 10,000	2,482,500	2.95
132	10,001 – 100,000	4,269,145	5.08
24	100,001 – 4,201,499	12,603,783	15.00
1	4,201,500 AND ABOVE	64,638,972	76.93
Total	995	84,030,000	100.00

LIST OF TOP 30 WARRANT HOLDERS

Name	No. of Warrants Held	%
1. ANN JOO CORPORATION SDN BHD	64,638,972	76.92
2. YANG POUY SOON	2,049,000	2.44
3. YEOH CHUN HENG	1,512,000	1.80
4. LOU SWEE YOU	1,200,000	1.43
5. TAN POH GEK	1,150,000	1.37
6. TAN GUAT POH	1,000,000	1.19
7. UNITED HARDWARE HOLDINGS SENDIRIAN BERHAD	609,168	0.72
8. LIM SENG QWEE	600,549	0.71
9. LIM SENG CHEE	581,500	0.69
10. THUN LIAN @ TEOH SHOK LIAN	528,000	0.63
11. PANDU SINAR SDN BHD	420,485	0.50
12. NG SUN LAI	412,000	0.49
13. TOH TUAN SUN	355,081	0.42
14. SU MING KEAT	303,000	0.36
15. WONG WAI KUAN	300,000	0.36
16. SEE HUP CONSOLIDATED BERHAD	250,000	0.30
17. LIM KIAM LAM	239,000	0.28
18. KURNIA INSURANS (MALAYSIA) BERHAD	180,000	0.21
19. OSK NOMINEES (ASING) SDN BERHAD	178,000	0.21
<i>QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR TAN BOON CHIANG</i>		
20. HDM NOMINEES (TEMPATAN) SDN BHD	129,000	0.15
<i>QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR LIM YAU SIONG (MEMO)</i>		



STATISTICAL REPORTS (CONT'D)

LIST OF TOP 30 WARRANT HOLDERS (CONT'D)

Name	No. of Warrants Held	%
21. BBMB SECURITIES NOMINEES (TEMPATAN) SDN BHD <i>QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR ONG JOO BENG</i>	127,000	0.15
22. C.B. INDUSTRIAL PRODUCT SDN BHD	117,000	0.14
23. KONG MAY CHU	113,000	0.13
24. LIM YAU SIONG	103,000	0.12
25. KENNETH KOH VEE CHONG	100,000	0.12
26. BOTLY NOMINEES (TEMPATAN) SDN BHD <i>QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR LIEW YAM FEE</i>	100,000	0.12
27. LEW SIEW YEN	98,000	0.12
28. LOK KUM CHOY	97,000	0.12
29. MULIA BERSAMA SDN BHD	94,000	0.11
30. HONG LEONG FINANCE BERHAD <i>QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR CHIA HENG THYE</i>	90,000	0.11
	77,674,755	92.42

STATISTICAL REPORTS (CONT'D)

DIRECTORS' SHAREHOLDINGS AS AT 29 APRIL 2003

(Extracted from Register of Directors' Shareholdings)

Name	Direct		Indirect	
	No. of Ordinary Shares Held	%	No. of Ordinary Shares Held	%
LIM SENG CHEE	1,744,500	0.69	166,338,575 ^{*1}	65.98 ^{*1}
LIM SENG QWEE	1,801,648	0.71	166,338,575 ^{*1}	65.98 ^{*1}
LIM KIAM LAM	591,000	0.23	166,338,575 ^{*1}	65.98 ^{*1}
LIM SIN SEONG	NIL	NIL	166,338,575 ^{*1}	65.98 ^{*1}
TOH TUAN SUN	1,380,244	0.55	NIL	NIL
LIM HONG THYE	NIL	NIL	NIL	NIL
TAN SRI ZULKIFLI BIN MAHMOOD	NIL	NIL	NIL	NIL
DATO' ONG KIM HOAY	15,000	0.01	NIL	NIL
MOHD ALKAF BIN MOHD KAHAR	165,000	0.06	1,261,455 ^{*1}	0.50 ^{*1}
DATUK HAIDAR ALI BIN HAJI SHEIKH FADZIR	NIL	NIL	NIL	NIL

Name	Direct		Indirect	
	No. of Warrants 2001 / 2006 Held	%	No. of Warrants 2001 / 2006 Held	%
LIM SENG CHEE	581,500	0.69	65,248,140 ^{*1}	77.65 ^{*1}
LIM SENG QWEE	600,549	0.72	65,248,140 ^{*1}	77.65 ^{*1}
LIM KIAM LAM	239,000	0.28	65,248,140 ^{*1}	77.65 ^{*1}
LIM SIN SEONG	NIL	NIL	65,248,140 ^{*1}	77.65 ^{*1}
TOH TUAN SUN	355,081	0.42	NIL	NIL
LIM HONG THYE	NIL	NIL	NIL	NIL
TAN SRI ZULKIFLI BIN MAHMOOD	NIL	NIL	NIL	NIL
DATO' ONG KIM HOAY	5,000	0.01	NIL	NIL
MOHD ALKAF BIN MOHD KAHAR	55,000	0.07	420,485 ^{*1}	0.50 ^{*1}
DATUK HAIDAR ALI BIN HAJI SHEIKH FADZIR	NIL	NIL	NIL	NIL

^{*1} DEEMED INTEREST PURSUANT TO SECTION 6A(4) OF THE COMPANIES ACT, 1965.



STATISTICAL REPORTS (CONT'D)

DIRECTORS' SHAREHOLDINGS AS AT 29 APRIL 2003

(Extracted from Register of Directors' Shareholdings) (Cont'd)

Name	No of Employees' Share Option Held
LIM SENG CHEE	500,000
LIM SENG QWEE	300,000
LIM KIAM LAM	500,000
LIM SIN SEONG	300,000
TOH TUAN SUN	400,000
LIM HONG THYE	NIL
TAN SRI ZULKIFLI BIN MAHMOOD	NIL
DATO' ONG KIM HOAY	NIL
MOHD ALKAF BIN MOHD KAHAR	NIL
DATUK HAIDAR ALI BIN HAJI SHEIKH FADZIR	NIL

SUBSTANTIAL SHAREHOLDERS AS AT 29 APRIL 2003

(Extracted from Register of Substantial Shareholders)

Name	Direct		Indirect	
	No. of Ordinary Shares Held	%	No. of Ordinary Shares Held	%
ANN JOO CORPORATION SDN BHD	164,511,070	65.25	1,827,505 ^{*1}	0.72
LIM SENG CHEE & SONS SDN BHD	NIL	NIL	166,338,575 ^{*1}	65.98 ^{*1}
LSQ & SONS SDN BHD	NIL	NIL	166,338,575 ^{*1}	65.98 ^{*1}
LIM SIN SEONG SDN BHD	NIL	NIL	166,338,575 ^{*1}	65.98 ^{*1}
LIM SENG CHEE	1,744,500	0.69	166,338,575 ^{*1}	65.98 ^{*1}
LIM SENG QWEE	1,801,648	0.71	166,338,575 ^{*1}	65.98 ^{*1}
LIM KIAM LAM	591,000	0.23	166,338,575 ^{*1}	65.98 ^{*1}
LIM SIN SEONG	NIL	NIL	166,338,575 ^{*1}	65.98 ^{*1}

^{*1} DEEMED INTEREST PURSUANT TO SECTION 6A(4) OF THE COMPANIES ACT, 1965.

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Form Of Proxy



安祿資源有限公司
ANN JOO RESOURCES BERHAD

No. of Ordinary Shares Held	
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I/We _____
(Full name in block letters)

of _____
(Address)

being a member/members of **ANN JOO RESOURCES BERHAD**, hereby appoint _____

_____ of _____
(Full name in block letters) (Address)

or failing him/her _____
(Full name in block letters)

of _____
(Address)

or failing him/her, the CHAIRMAN OF THE MEETING 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 Hilton Petaling Jaya, Kristal Ballroom 2, 1st Floor, East Wing, No. 2 Jalan Barat, 46200 Petaling Jaya on Tuesday, 17 June, 2003 at 10.00 a.m. or at any adjournment thereof, and to vote as indicated below:-

No.	Resolutions	For	Against
1.	To receive and adopt the Audited Financial Statements for the year ended 31 December, 2002 and the Reports of Directors and Auditors thereon.		
2.	To declare a final dividend of 6% less 28% tax for the financial year ended 31 December, 2002.		
3.	To approve the payment of Directors' Fees amounting to RM215,000.00 for the financial year ended 31 December, 2002.		
4.	To re-elect the following Directors, who shall retire pursuant to Article 101 of the Company's Articles of Association:- (a) Lim Seng Qwee (b) Lim Sin Seong (c) Datuk Haidar Ali Bin Haji Sheikh Fadzir		
5.	To re-elect Mr. Lim Hong Thye who shall retire pursuant to Article 108 of the Company's Articles of Association.		
6.	To consider and if thought fit, to pass the following resolution, with or without modifications, as an Ordinary Resolution of the Company:- "THAT, the vacancy created by Mr Lim Seng Chee's retirement pursuant to Section 129 of the Companies Act, 1965 and his not seeking re-election as Director of the Company, shall hereby not be filled pursuant to Article 103 of the Company's Articles of Association."		
7.	To re-appoint Messrs Ong Boon Bah & Co., the retiring Auditors and to authorise the Directors to determine their remuneration.		
8.	SPECIAL BUSINESS (a) To give authority to the Directors to allot shares pursuant to Section 132D of the Companies Act, 1965. (b) To give authority to the Directors to purchase the Company's own shares. (c) To propose Shareholders' mandate for recurrent related party transactions of a revenue or trading nature.		

Please indicate with a "✓" in the appropriate space how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy will vote as he or she thinks fit, or, at his or her discretion, abstain from voting.

Signed this _____ day of _____, 2003

Signature / Common Seal

Notes:- Proxy

- A Member of the Company entitled to attend and vote at this Meeting is entitled to appoint proxy to attend and vote instead of him. A member shall not be entitled to appoint more than two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. Where a member of the Company is an authorised nominee as defined under the 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.
- A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- The instrument appointing a proxy shall be in writing under the hand of appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Registered Office of the Company at Wisma Ann Joo, Lot 19391, Bt 8½, Jalan Klang Lama, 46000 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof.

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STAMP

ANN JOO RESOURCES BERHAD

Wisma Ann Joo, Lot 19391
Batu 8½, Jalan Klang Lama
46000 Petaling Jaya, Selangor Darul Ehsan

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